



## Application to Originate and Service Loans

The following information outlines general requirements for originating and servicing loans sold to the California Housing Finance Agency (CalHFA). In evaluating the application, CalHFA will use certain criteria to assess the Applicant's financial position, insurance coverage, quality assurance/control operation, servicing operation, and other relevant factors. CalHFA does this to 1) ensure the quality of the loans sold to CalHFA and 2) to verify that the Applicant is capable of handling the responsibilities associated with originating and servicing loans on our behalf. CalHFA encourages the Applicant to review the general criteria to determine eligibility for becoming a CalHFA approved loan originator/servicer.

The Applicant is required to complete this application together with all attachments and have it signed by an authorized officer. When the application is received, CalHFA will review the application, and required attachments for determination of eligibility as a CalHFA-approved loan originator/servicer.

When all requirements have been satisfied and a conditional approval has been issued, a CalHFA Mortgage Purchase and Servicing Agreement (MP&SA) will be forwarded to the Applicant for full execution and return to CalHFA along with the Form Opinion of Counsel. Once all conditions of approval have been satisfied and legal contracts/documents have been received by CalHFA, a mandatory on-site visit by CalHFA will be scheduled with the Applicant, in addition to a New Lender Training by CalHFA, prior to the Applicant originating/servicing CalHFA loans.

The on-site visit will allow CalHFA staff to assess the Applicant's lending policies and procedures, compliance standards, quality assurance/control operations, adequate management processes for evaluating qualifications and performance of appraisers and closing agent vendors, and meet key personnel including but not limited to Underwriter(s), Processor(s), Funder(s), Quality Assurance/Control, Loan Servicing personnel, etc. During the on-site visit, CalHFA staff will review a random sample of loan files from the Applicant's most recent quality assurance/control cycle.

CalHFA's New Lender Training should be attended by the Applicant's key personnel, including trainers, loan production/operations staff and all appropriate branch personnel that are responsible for submitting loans to CalHFA. This training may be conducted via webinar or in person by a CalHFA Lender Trainer.

### **Mandatory Qualifications to become a CalHFA-approved Lender:**

- Be a Fannie Mae-approved Seller/Servicer. Fannie Mae approval must be documented prior to final CalHFA approval; however, exceptions *may be considered* on a case by case basis. If an exception is granted, the Applicant must still comply with all Fannie Mae requirements. If an exception is not granted, the application fee is non-refundable

- Have as one of its principal business purposes the origination, selling, and/or servicing of residential mortgages and demonstrate capacity and experience
- Be a direct lender and fund loans from its own resources or maintain a warehouse line of credit of at least \$1 million
- Be duly organized, validly existing, properly licensed and in good standing, as a Mortgage Banker, Bank, Savings and Loan or Credit Union or otherwise authorized to conduct business in each of the jurisdictions in which it originates, sells, and/or services residential mortgages, including California
- Have a minimum of one year in business
- Be an active Mortgage Electronic Registration System (MERS) member
- Have an adjusted net worth of \$400,000 and maintain liquid assets of 20 percent (20%) of adjusted net worth or \$100,000 whichever is less (as calculated pursuant to HUD's most recent guidelines). In addition to meeting CalHFA's net worth requirement, the Applicant must otherwise be financially acceptable. CalHFA will review the Applicant's financial condition, and any other factors considered relevant to determine Applicant's ability to do business with CalHFA
- Have in effect a fidelity bond and errors and omissions insurance policy of at least \$300,000 (plus an additional amount at least equal to a percentage of the total servicing portfolio above \$100,000,000 in accordance with current Fannie Mae formulas) and agree to modify the insurance policies as necessary to meet our requirements
- Maintain forgery insurance in an amount equal to four percent (4%) of every thousand of the principal of the total loans serviced or \$50,000, whichever is greater.
- Maintain money or securities ("all risk") coverage, or an equivalent coverage, in an amount equal to the greater of five percent (5%) of every thousand of the principal serviced or \$250,000, whichever is greater, and agree to modify the insurance policies as necessary to meet our requirements
- Mortgage Bankers must provide the Mortgage Banker Association quarterly financial statements, or other acceptable financial statement(s) within thirty (30) days of ending period
- Banks, Thrifts and Credit Unions must provide the last four (4) quarters Call Report, Thrift Financial Report, or other acceptable financial statement reporting form(s) within thirty (30) days of ending period
- Have a viable business other than its expected delivery to CalHFA, demonstrating loans have been delivered to other investors in the lesser of the last twenty-four (24) months, or time in business
- Maintain internal audit, quality assurance/control and management control systems to evaluate and monitor the overall quality of its loan production and/or servicing activities in accordance with insuring and guaranteeing agencies and in accordance with Fannie Mae requirements

- Demonstrate to CalHFA that it has adequate management processes, policies and procedures that conform to Fannie Mae requirements for selecting and evaluating qualifications and performance of appraisers, closing agents, and other third party vendors. CalHFA will review the results of some of the Applicant's audits/reviews of appraisals and appraisers. On programs where CalHFA has a designated Master Servicer, CalHFA will delegate to the Master Servicer the oversight of appraisers, and CalHFA Mortgage Insurance Division will periodically review audits/reviews of appraisals and audit procedures of lenders submitting loans to the Master Servicer
- Have written policies and procedures that conform to Fannie Mae requirements for approving and monitoring third party originators
- Have written policies and procedures which conform to Fannie Mae requirements for each of the following areas: underwriting, secondary marketing, quality assurance/control and loan servicing. Unless the Applicant has a contractual agreement with a third party quality assurance/control provider, the Applicant's quality assurance/control function should have been in operation for the lesser of the twenty-four (24) months, or time in business
- Must not be (to include parent company) on any form of "Watch List" or be subject to a cease and desist order, suspended, debarred, under a limited denial of participation, or otherwise restricted under provisions of HUD or other governmental agency at any time during its working relationship with CalHFA
- The company or its officers must not be under indictment for, or have been convicted of any offense that reflects adversely upon the Applicant's integrity, competence or fitness to meet the responsibilities of a lender
- Have experienced key personnel with a minimum of twenty-four (24) months experience in each of the following functional areas: underwriting, secondary marketing, quality assurance/control, and loan servicing; have two senior officers with at least thirty-six (36) months of experience in the origination and servicing of the types of first mortgages provided by CalHFA (to be verified by CalHFA review of resumes and interviews with key personnel)
- Must execute a CalHFA Mortgage Purchase and Servicing Agreement (MP&SA) *after* CalHFA's conditional approval of the Applicant's complete application package. A sample version of the MP&SA is available on the CalHFA web site
- Must provide a Form Opinion of Counsel from the Applicants' legal counsel *after* CalHFA's conditional approval of the Applicant's complete application package. A sample version of the Form Opinion of Counsel is available on the CalHFA web site and a "Word" version may be provided upon request
- Provide other documentation and information that may be requested by CalHFA

NOTES:

- (1) CalHFA may, at its discretion, amend or supplement these eligibility requirements. We approve or disapprove an Applicant based on our assessment of its total circumstances; therefore, an Applicant that satisfies our general eligibility requirements does not have an

absolute right to be approved and should not expect our approval to be automatically forthcoming

- (2) CalHFA may, at its discretion, terminate an application if the Applicant has not submitted all required documentation within six (6) months of receipt by CalHFA of the initial application package
- (3) Submission of a fully completed and executed CalHFA Application to Originate and Service Loans along with all required supporting documentation shall constitute a representation by the Applicant that it meets all of the requirements specified above

## **Mandatory Qualifications to become a CalHFA-approved Servicer:**

- Must service not less than ten thousand (10,000) loans
- Achieve and maintain a CalHFA servicing portfolio of not less than two-hundred (200) loans within a twenty-four (24) month period from the initial date of entry into the program
- Have an adjusted net worth of \$400,000 and maintain liquid assets of twenty percent (20%) of adjusted net worth or \$100,000 whichever is less, (as calculated pursuant to HUD's most recent guidelines). Servicer shall meet an additional net worth requirement equal to 2/10% of all outstanding loan balance or \$1 million, whichever is greater is required
- Employ a computerized servicing management system and provide CalHFA or designated data capture company with electronic data reports in the format as directed, within ninety (90) days of obtaining a minimum loan level of fifty (50) CalHFA loans
- Design the above mentioned systems to assure that its staff complies not only with CalHFA requirements, but also with the legal requirements of Fannie Mae, FHA, VA and/or USDA and the State of California. CalHFA requires the overall management control system to provide for at least the following: 1) a delinquent loan servicing system; 2) a system to control and monitor bankruptcy proceedings; and 3) a foreclosure monitoring system
- Have and maintain collection call staff for calling delinquent California borrowers within authorized Federal statutory time limits (subject to change), i.e. 8 a.m. to 9 p.m. Pacific Time (PT)
- Possess and maintain the financial ability to repurchase loans under the warranty provision. This includes any loan due to fraud, non-compliance with tax act requirements and FHA, VA, USDA loans foreclosed loans within ninety (90) days of Trustee Sale or Deed in Lieu, and other warranties as detailed in the CalHFA Lender Program Manual and Servicer's Guide
- Maintain adequate internal audit and management control systems to 1) assure that the loans are serviced in accordance with sound mortgage banking and accounting principles; 2) guard against dishonest, fraudulent, or negligent acts; and 3) guard against errors and omissions by officers, employees, or other authorized persons. If these systems identify a problem area, the servicer shall promptly take appropriate corrective action and notify CalHFA, as applicable. The servicer shall keep a record of any activity under these internal systems. Upon request, the servicer shall make these records available for review

- Maintain monthly portfolio delinquency ratios at or below the maximum allowable total delinquent ratio as determined quarterly by CalHFA using The National Delinquency Survey from the Mortgage Bankers Association (MBA) Report. The respective FHA, VA, Prime and Sub-Prime fixed rate categories for California are reviewed and used to determine the servicers continuing eligibility
- Maintain and make available for inspection the books, records, and loan files of CalHFA loans
- Complete and execute a CalHFA Servicing Agreement unless a Mortgage Purchase and Servicing Agreement (MP&SA) has been executed
- Provide other documentation and information that may be requested by CalHFA

NOTES:

- (1) CalHFA may, at its discretion, amend or supplement these eligibility requirements. We approve or disapprove an Applicant based on our assessment of its total circumstances; therefore, an Applicant that satisfies our general eligibility requirements does not have an absolute right to be approved and should not expect our approval to be automatically forthcoming
- (2) CalHFA may, at its discretion, terminate an application if the Applicant has not submitted all required documentation within six (6) months of receipt by CalHFA of the initial application package
- (3) Submission of a fully completed and executed CalHFA Application to Originate and Service Loans along with all required supporting documentation shall constitute a representation by the Applicant that it meets all of the requirements specified above

**Required Attachments:**

- Application fee of \$1,000.00 (Non – Refundable)
- Fully completed and executed CalHFA Application to Originate and Service Loans with all required supporting forms and documentation

- Certificate of Authority and Specimen Signatures form (page 26 of application)
- Authorization to Investigate Background form for Principal Officers, Partners, or Owners who hold more than a 5% corporate interest (pages 27 - 28 of application)
- Completed Home Mortgage Purchasing – Wire Instructions Form (page 29 of application). This document is required for each account used to fund CalHFA loans
- Master Security Agreement (MSA) – executed by Applicant and Applicant’s warehouse bank when warehouse line(s) of credit are used to fund CalHFA loans. This document is available on the CalHFA web site
- Narrative describing the history and general scope of Applicant’s operations
- Current Fannie Mae approval status letter (Lender to retrieve from Fannie Mae account team representative)
- Copies of most recent audit findings from Fannie Mae, Freddie Mac, FHA and VA
- Copies of any signed contracts with third parties that perform origination, quality assurance/control, or servicing functions for the Applicant. (CalHFA relies on the Applicant to have adequate procedures in place to select and monitor the performance of third party vendors, which conform to Fannie Mae requirements, including confirmation of appropriate licenses and insurance policies)
- Copies of complete insurance policies evidencing adequate Fidelity Bond/Errors and Omissions, Forgery and All Risks Insurance coverage. All other forms of coverage in effect (e.g. certificate of bond), provide complete copies
- Sample of Promissory Note endorsement – please note CalHFA does not accept a “Note Allonge”
- Three (3) business references from other investment banks or institutions where your company has sold loans
- Applicants’ (and parent company as applicable) last two (2) years of audited annual Financial Statements prepared by Applicant’s independent Certified Public Accountant (CPA). The Financial Statements shall be based on the CPA’s examination of Applicant’s financial statements and the Applicant’s loan servicing operations, including those serviced for CalHFA. This report shall also incorporate the Uniform Single Audit Program for Mortgage Bankers. Attach the financial “Adjusted Net Worth” as defined by the audit guide for HUD and Ginnie Mae. The audited reports shall also include a balance sheet; an income statement; a statement of retained earnings; a statement of additional paid-in-capital; a statement of changes in financial position and all related notes. If audited statements are more than six (6) months old, please provide copies of interim statements

For Mortgage Bankers, provide the last four (4) quarters (complete reports) of the Mortgage Bankers Financial Reporting Form (Fannie Mae Form 1002/Freddie Mac Form 1055/Ginnie Mae Form HUD 11750). The latest statement must be within thirty (30) days of ending period

For Banks, Thrifts, and Credit Unions, provide the last four (4) quarters (complete reports) of your "Call Report", "Thrift Financial Report", or other financial statement reporting form. The latest statement must be within thirty (30) days of ending period

- Applicant's most current Annual Report
- Organizational Chart listing corporate officers and management names, title's and departments overseen including loan origination, loan production, underwriting, secondary marketing, quality assurance/control and loan servicing
- Resumes of principal officers and other key personnel, as follows:
  - Loan Origination
  - Loan Production
  - Underwriting
  - Secondary Marketing
  - Quality Assurance/Control
  - Loan Servicing and/or Interim Loan Servicing
- List of branch offices in California to include:
  - Branch manager name
  - Branch physical address
  - Branch telephone number
  - Branch fax number
  - Branch manager email address
- Copy of current business license(s)
- Copy of Fictitious Business Name Statement for each dba (Form Opinion of Counsel Letter must identify each dba)
- Certification that Applicant complies with all applicable state and federal regulations pertaining to the origination, selling and/or servicing of mortgage loans, including financial privacy requirements
- Completed IRS Form W-9 Request for Taxpayer Identification Number and Certification
- Loan delivery history for lesser of the last twenty-four (24) months, or time in business, to Fannie Mae, Freddie Mac and other major investors
- Copies of approval(s) by Fannie Mae, Freddie Mac, FHA and VA, as applicable, including confirmation of approval(s) from a CalHFA designated Master Servicer, necessary to originate loans for programs where a Master Servicer is required
- Copy of Applicant's Underwriting Guidelines (Applicant's proprietary underwriting guidelines)
- Copy of Applicant's Quality Assurance/Control Plan including policies and procedures. Unless your company has a contractual agreement with a third party

quality assurance/control provider, your company's quality assurance/control function should have been in operation for the lesser of past twenty-four (24) months or time in business

- Copies of the two (2) most recent monthly cycles of quality assurance/control findings' reports and management's responses to findings. The most recent cycle must be less than one-hundred twenty (120) days at the time submitted
- Copies of written policies and procedures which conform to Fannie Mae requirements and standards for each of the following areas:
  - Secondary Marketing
  - Underwriting
  - Loan Servicing and/or Interim Loan Servicing
  - Soliciting, evaluating, selecting, and monitoring performance of appraisers, closing agents and all other third party vendors
- Copies of written policies and procedures on *internal audit and management control systems* used to evaluate and monitor the overall quality of loan production and servicing activities, which must conform to Fannie Mae requirements and standards
- Letter of Authorization for Tax and Insurance Custodial Account (when servicing)  
[Document will be provided upon request]
- Letter of Authorization for Principal and Interest Custodial Account (when servicing)  
[Document will be provided upon request]
- Letter of Authorization for Buydown Accounts (when servicing)  
[Document will be provided upon request]

## **APPLICANT PROFILE** **(Section I)**

### **Applicant Information**

Company Name: \_\_\_\_\_

Under the name of, doing business as (dba): \_\_\_\_\_

Physical Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Main Phone# \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Main Phone# \_\_\_\_\_

Company Website Address: \_\_\_\_\_

Contact for Application Process: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Company Liaison for CalHFA: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Main Phone# \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

### Legal Status of Applicant

Company established on (Date): \_\_\_\_\_

Under the laws of: \_\_\_\_\_

Mortgage Banker, company headquarters located in: \_\_\_\_\_

Commercial Bank, company headquarters located in: \_\_\_\_\_

Thrift, company headquarters located in: \_\_\_\_\_

Credit Union, company headquarters located in: \_\_\_\_\_

Partnership, company headquarters located in: \_\_\_\_\_

Other (specify): \_\_\_\_\_

### Statements of Financial Condition

Is your company listed by the Security Exchange Commission? Yes  No

If yes, which board? \_\_\_\_\_

Is Applicant or Parent a Bank, Thrift, or Credit Union? Yes  No

If yes, provide the published information as listed by IDC Financial Publishing Inc.:

Abbreviated Name \_\_\_\_\_

City, State of Headquarters Location \_\_\_\_\_

### Active Affiliates

Provide information for all parent companies and subsidiaries (attach additional sheets if necessary):

**Company Name and Mailing Address**

**Company Name and Mailing Address**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Fannie Mae Yes  No   
# \_\_\_\_\_

Fannie Mae Yes  No   
# \_\_\_\_\_

Freddie Mac Yes  No   
# \_\_\_\_\_

Freddie Mac Yes  No   
# \_\_\_\_\_

HUD Yes  No   
# \_\_\_\_\_

HUD Yes  No   
# \_\_\_\_\_

### Fictitious Business Names

Does your company do business under any other names (as a "dba")? Yes  No

- Company shall provide copies of all Fictitious Business Name Statements for each dba
- All dba's must be identified in Opinion of Counsel Letter
- Provide information regarding any/all dba's below (attach additional sheets if necessary):

**Name and Mailing Address of dba**

**Name and Mailing Address of dba**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Principal Company Officers/Partners/Owners/Directors

Name

Title

% of Ownership

\_\_\_\_\_

\_\_\_\_\_

---

---

---

---

---

---

## Officer Disclosure

Disclose whether any of the principal officers, partners, owners or directors:

Have been employed by an institution within two (2) years of its debarment by the Department of Housing and Urban Development?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Have been denied an operating license or otherwise sanctioned by any licensing or regulatory body?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Have been convicted of a crime or named in a pending criminal proceeding (excluding traffic violations and other minor offenses)?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Have been subject to an order, judgment, or decree enjoining him or her from engaging in any activities in connection with any type of business transaction (including the purchase or sale of a security) or acting as (or as an associated or affiliated person of) an investment adviser, underwriter, broker, dealer, financial institution, or another business?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

**General Information:**

Is your institution the subject of any litigation, assessments, or contingent liabilities not disclosed in your financial statements (attach additional sheets if necessary)?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Is your institution the defendant in any class action suit not disclosed and described in your financial statements (attach additional sheets if necessary)?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Has a judgment been entered against your institution, or have you entered into a settlement in any class action suit not disclosed and described in your financial statements (attach additional sheets if necessary)?

Yes  No Describe (in detail): \_\_\_\_\_

---

---

Has your company ever been suspended or terminated by FHA, VA, Fannie Mae, Freddie Mac, Private Mortgage Insurer, or other investor?

Yes  No Describe: \_\_\_\_\_

---

---

Has your company been declared insolvent, made a general assignment for the benefit of creditors, declared bankruptcy, suffered or permitted the appointment of a receiver for its business or assets, liquidated, or denied fidelity insurance coverage or mortgagee's errors and omissions insurance coverage?

Yes  No Describe: \_\_\_\_\_

---

---

Are you a Fannie Mae approved Lender? Yes  No  # \_\_\_\_\_

Are you a Freddie Mac approved Lender? Yes  No  # \_\_\_\_\_

Are you a HUD (FHA) Single Family Lender? Yes  No  # \_\_\_\_\_

Are you a HUD (FHA) Single Family Servicer? Yes  No  # \_\_\_\_\_

Are you a HUD (FHA) Direct Endorsement Lender? Yes  No  # \_\_\_\_\_

Are you a Single Family Servicer? Yes  No  # \_\_\_\_\_

Do you sell loans to other investors? Yes  No

If yes, what investors: \_\_\_\_\_

Do you service loans for other investors? Yes  No

If yes, what investors: \_\_\_\_\_

Do you fund from your own resources to close loans in your name?  Yes  No

Do you have a warehouse line of credit to close loans in your name?  Yes  No

List *warehouse line(s) of credit* used for funding CalHFA loans, if applicable (attach additional sheets if needed):

---

Warehouse Bank's Name

---

ABA#

Account#

---

Address, City, State, Zip Code

---

Line of Credit Amount (\$)

---

Contact Person & Phone Number

List personnel (must have at least twenty-four (24) months experience) in the following areas:

- HUD DE Underwriter Yes  No

Underwriting Manager: \_\_\_\_\_

- Secondary Marketing Yes  No

Secondary Marketing Manager: \_\_\_\_\_

- Quality Assurance/Control Yes  No   
Quality Assurance/Control Manager: \_\_\_\_\_
- Loan Servicing Yes  No   
Loan Servicing Manager: \_\_\_\_\_
- Mortgage Electronic Registration System (MERS) Yes  No   
MERS Manager: \_\_\_\_\_ MERS I.D. # \_\_\_\_\_

**States in which you do business**

- |                             |                             |                             |   |
|-----------------------------|-----------------------------|-----------------------------|---|
| <input type="checkbox"/> AL | <input type="checkbox"/> IN | <input type="checkbox"/> NV | <input type="checkbox"/> SD             |
| <input type="checkbox"/> AK | <input type="checkbox"/> IA | <input type="checkbox"/> NH | <input type="checkbox"/> TN             |
| <input type="checkbox"/> AZ | <input type="checkbox"/> KS | <input type="checkbox"/> NJ | <input type="checkbox"/> TX             |
| <input type="checkbox"/> AR | <input type="checkbox"/> KY | <input type="checkbox"/> NM | <input type="checkbox"/> UT             |
| <input type="checkbox"/> CA | <input type="checkbox"/> LA | <input type="checkbox"/> NY | <input type="checkbox"/> VT             |
| <input type="checkbox"/> CO | <input type="checkbox"/> ME | <input type="checkbox"/> NC | <input type="checkbox"/> VA             |
| <input type="checkbox"/> CT | <input type="checkbox"/> MD | <input type="checkbox"/> ND | <input type="checkbox"/> WA             |
| <input type="checkbox"/> DE | <input type="checkbox"/> MA | <input type="checkbox"/> OH | <input type="checkbox"/> WV             |
| <input type="checkbox"/> DC | <input type="checkbox"/> MI | <input type="checkbox"/> OK | <input type="checkbox"/> WI             |
| <input type="checkbox"/> FL | <input type="checkbox"/> MN | <input type="checkbox"/> OR | <input type="checkbox"/> WY             |
| <input type="checkbox"/> GA | <input type="checkbox"/> MS | <input type="checkbox"/> PA | <input type="checkbox"/> Guam           |
| <input type="checkbox"/> HI | <input type="checkbox"/> MO | <input type="checkbox"/> RI | <input type="checkbox"/> Puerto Rico    |
| <input type="checkbox"/> ID | <input type="checkbox"/> MT | <input type="checkbox"/> SC | <input type="checkbox"/> Virgin Islands |
| <input type="checkbox"/> IL | <input type="checkbox"/> NE |                             |   |

**CalHFA Volume Estimates**

Projections – of CalHFA loans your company intends to originate:

	Approximate Number	Total Dollar Volume
Conventional First Mortgage Loans:	_____	\$ _____
Government First Mortgage Loans:	_____	\$ _____
Subordinate/Junior Liens:	_____	\$ _____

**Interim Loan Servicing**

Describe the procedure used for interim servicing, i.e. computer, ledger or other method used for posting and recording of transactions. Please be specific:

---



---

---



---



---

## Volume History

**Total Mortgage Originations (All States)** by product type for the last three years, Include total number of loans and unpaid principal balance (UPB):

	Fiscal Year _____	Fiscal Year _____	Fiscal Year _____
	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>
Conventional Fixed Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____
Conventional Adjustable Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____
Government	_____ \$ _____	_____ \$ _____	_____ \$ _____
Sub Prime	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Total Mortgage Originations (California ONLY)** by product type for the last three years, Include total number of loans and unpaid principal balance (UPB):

	Fiscal Year _____	Fiscal Year _____	Fiscal Year _____
	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>
Conventional Fixed Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____
Conventional Adjustable Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____
Government	_____ \$ _____	_____ \$ _____	_____ \$ _____
Sub Prime	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Total Mortgage Servicing Portfolio** - by product type at the end of each of the last three (3) fiscal years. Include loans which are delinquent or in foreclosure:

	Ending ___/___/___	___/___/___	___/___/___
	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>	<u>No. Loans</u> <u>UPB</u>
Conventional Fixed Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____

Conventional Adjustable Rate	_____ \$ _____	_____ \$ _____	_____ \$ _____
Government	_____ \$ _____	_____ \$ _____	_____ \$ _____
SubPrime	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Delinquent Portfolio Conventional Fixed Rate:**

	Ending ___/___/___	___/___/___	___/___/___
	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>
30 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
60 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
90 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
Greater than 90 days	_____ \$ _____	_____ \$ _____	_____ \$ _____
In foreclosure (up to Trustee Sale)	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Delinquent Portfolio Conventional Adjustable Rate:**

	Ending ___/___/___	___/___/___	___/___/___
	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>
30 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
60 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
90 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
Greater than 90 days	_____ \$ _____	_____ \$ _____	_____ \$ _____
In foreclosure (up to Trustee Sale)	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Delinquent Portfolio Government:**

	Ending ___/___/___	___/___/___	___/___/___
	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>
30 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____

60 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
90 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
Greater than 90 days	_____ \$ _____	_____ \$ _____	_____ \$ _____
In foreclosure (up to Trustee Sale)	_____ \$ _____	_____ \$ _____	_____ \$ _____

**Delinquent Portfolio SubPrime:**

	Ending ___/___/___	___/___/___	___/___/___
	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>	<b><u>No. Loans UPB</u></b>
30 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
60 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
90 Days	_____ \$ _____	_____ \$ _____	_____ \$ _____
Greater than 90 days	_____ \$ _____	_____ \$ _____	_____ \$ _____
In foreclosure (up to Trustee Sale)	_____ \$ _____	_____ \$ _____	_____ \$ _____

**ACKNOWLEDGEMENT**

I affirm that all information submitted with and attached to this application is true and correct. I hereby authorize CalHFA, at its discretion, to verify the information with any other sources, and I hereby waive any cause of action or claim I may have against such sources with respect to any information they may provide.

By: \_\_\_\_\_  
Authorized Signature

Name and Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**(AFFIX CORPORATE SEAL, AS APPLICABLE)**

**If your company intends to fully service CalHFA loans, you must also complete Section II of this application (pages 19-25) otherwise, continue to page 26**

**SERVICER PROFILE**  
**(Section II)**

**(Complete Only Where Applicant Will Service CalHFA Loans)**

**Servicing Information**

If your company is selected as a CalHFA Servicer, how will the CalHFA originated loans be serviced?

Company will service the loans

When checked, has your company had previous experience servicing CalHFA loans?

Yes  No

Provide the period during which your company serviced CalHFA loans (as applicable):

\_\_\_\_\_  
From (Period) through (Period)

A "Private Label Servicer", as sub-servicer for a CalHFA Approved Servicer \*

When checked, please indicate the name and servicing address of the Private Label Servicer or Sub-servicer below:

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
Contact Person with Telephone Number

*\* A separate Servicer Application and Servicing Agreement will be required for Servicer or Sub-Servicer that is not currently an Approved CalHFA Servicer. **Upon request, CalHFA will forward these documents together with an Approved Servicer List.***

Who monitors the sub-servicer performance at your company and what is their experience?

Name/Title: \_\_\_\_\_

Experience: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have written procedures for monitoring sub-servicer performance?

Yes  No

What is the frequency of review of the following and who performs that review?

**Frequency  
of Review**

**Who  
Reviews**

Custodial Account Reconciliations	_____	_____
Mortgage Portfolio Reconciliations	_____	_____
Delinquency Ratio Review	_____	_____
Escrow Administration Analysis	_____	_____

What mortgage loan reports are provided by your recordkeeping system (check all that apply)?

- Monthly trial balance by pool
- Monthly trial balance by investor
- Monthly trial balance by total company
- Escrow trial balance
- Daily cash receipts journal
- Daily transactions journal
- Daily rejects report
- Customary delinquency and foreclosure reports
- Running loan activity (loan history) report for individual loans
- Scheduled loan payment and balance information which would comply with Fannie Mae reporting requirements

Do you have written procedures for:

Payment Administration	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Escrow Administration	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Delinquency Control	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Bankruptcy Management	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Foreclosed Loans	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cash Controls	Yes <input type="checkbox"/>	No <input type="checkbox"/>
ARM Procedures	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Acquired properties (reporting, remitting, and reconciliation):	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Describe the controls used in processing cash receipts and disbursements (including reconciliations performed):  Attached

---



---



---

How frequently do you perform escrow analysis?  Attached

---

---

---

Describe the controls used to insure timely payment of hazard insurance and mortgage insurance policy maintenance and real estate tax payments:  Attached

---

---

Describe the controls used to monitor delinquency and collection activity:  Attached

---

---

Describe the controls used to monitor IRS reporting:  Attached

---

---

Describe the controls used to monitor defaults:  Attached

---

---

Describe the controls in place to assure timely and accurate remitting to an investor:  Attached

---

---

Does your company microfiche all collateral/origination files? Yes  No

Does your company maintain hazard insurance policies? Yes  No

If "no", does your company have a blanket insurance policy? Yes  No

If you intend to service CalHFA loans, do you employ Collectors full time, 5 days a week Monday through Friday from 8 a.m. to 9 p.m. PST?

Yes  No

State the telephone hours your collection staff uses to contact borrowers:

Hours: \_\_\_\_\_ Time Zone \_\_\_\_\_

Does your company utilize automated telephone calling for delinquent loans?

Yes  No

If yes, please indicate the degree of delinquency when utilized:

30-Day  60-Day  90-Day

If yes, in addition, does your company utilize collection personnel for 30-day delinquent loans?

Yes  No

How many full time collectors does your company employ? \_\_\_\_\_

How many part time collectors does your company employ? \_\_\_\_\_

How many residential loans do you service? \_\_\_\_\_

What is the ratio of serviced loans per full time employee? \_\_\_\_\_  
(Loans divided by number of full time employees)

List the names, addresses and phone number of your company's computer service  
(If in -house, please state):

---

---

---

Does your company's servicing operation have the capacity to provide monthly-computerized  
taped reports for loan servicing/accounting?

Yes  No

## **Audit Examination Reports**

Attach your latest servicing examination (audit) reports available from HUD (FHA), Fannie Mae  
and Freddie Mac (if more than one servicing location, attach the servicing examination reports  
for the proposed CalHFA loan servicing location).

## **Servicer Organizational Contact List**

Attach copies of resumes for individuals in charge of single-family servicing areas listed below  
and for other key functional staff. Include current positions and duties.

Attached

### **Corporate:**

Please provide contact information for your company's Servicing Manager:

\_\_\_\_\_  
Servicing Manager (print) Email Address

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
(City) (State) (Zip)

Telephone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_

List the primary servicing location (where the CalHFA loans will be serviced):  
\_\_\_\_\_  
\_\_\_\_\_

**In a separate attachment, provide a list of any other servicing locations and managers**

**Administration:**

Audit Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Financial:**

Chief Operating Officer: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Investor Accounting:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Customer Service:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Borrower Escrow Accounts:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Collection:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Bankruptcy:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Loss Mitigation:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Default Reporting:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Foreclosures:**

Manager: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**ACKNOWLEDGEMENT**

I affirm that all information submitted with and attached to this application is true and correct. I hereby authorize CalHFA, at its discretion, to verify the information with any other sources, and I hereby waive any cause of action or claim I may have against such sources with respect to any information they may provide.

By: \_\_\_\_\_  
Authorized Signature

Name and Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

**(AFFIX CORPORATE SEAL, AS APPLICABLE)**

**Certificate of Authority and Specimen Signatures**

I, \_\_\_\_\_, \_\_\_\_\_, of \_\_\_\_\_  
(Counsel or Secretary's Name) (Title) (Seller Name)

("Seller"), which is a \_\_\_\_\_ organized and existing  
(Type of organization)  
under the laws of \_\_\_\_\_, hereby certify that attached  
(Jurisdiction)

Hereto is a true and correct copy of \_\_\_\_\_ resolution(s) (e.g. Enabling Resolution) duly  
(# of)  
adopted by the Board of Directors or similar governing body of Seller on \_\_\_\_\_  
(Date(s))  
and that ever since such resolution(s) has (have) been and is (are) now full force and effect.

I certify that, pursuant to such resolution(s), the individuals listed below are fully authorized and empowered to execute agreements, contracts and similar documents legally binding Seller with regard to the sale of mortgage loans to the California Housing Finance Agency (CalHFA). I also certify that the authority thereby conferred is not inconsistent or in conflict with the Certificate of Incorporation, Charter, By-Laws or other applicable governing documents of Seller's power and authority.

Signature	Name	Title
_____		
_____		
_____		
_____		

I also hereby certify that the specimen signatures set forth above next to each name are the true and genuine signatures of such persons and the CalHFA may conclusively rely on the accuracy, genuineness, and good faith of any written communication bearing any of the signatures set forth above. I also certify that the persons who signed the Certificate of Authority and Specimen Signatures set forth above were at the time of such signing and delivery and are now duly elected, qualified and acting as such officers.

This Certificate of Authority and Specimen Signatures supersedes all prior Certificate of Authority and Specimen Signatures.

In witness whereof, I have hereunto signed my name and affixed the seal of Seller this  
\_\_\_\_\_, day of \_\_\_\_\_, \_\_\_\_\_.  
(Day) (Month) (Year)

\_\_\_\_\_  
Name Title

\_\_\_\_\_  
Signature

### **Authorization to Investigate Background**

To be completed by Individuals who own more than 5% of company  
**(Make copies of this form as needed for each Individual)**

Please Initial:

\_\_\_\_\_ I hereby authorize (in my individual capacity) investigation of all of the statements in this application and any information or other documentation submitted herewith, including

verification of my employment (both past and present), work performance, abilities, education, personal history and conviction records. I hereby authorize the California Housing Finance Agency, (referred hereinafter as "CalHFA") to obtain a consumer report from an outside vendor. I hereby release CalHFA and those individuals providing such information from any liability or damages except where such release is prohibited by statute or regulation.

\_\_\_\_\_ I understand that CalHFA's decision to do business with \_\_\_\_\_ may be conditioned in whole or in part, upon my passing CalHFA's background investigation, which includes verification of my accomplishments and employment history, as well as a review of my criminal records and my credit history.

\_\_\_\_\_ I hereby certify that, during the past ten years, I have not been convicted of or pled nolo contendere to any crime or found liable in a civil or administrative action for wrong acts against banks, trust companies, savings institutions, credit unions, escrow companies and industrial thrift and loan companies.

\_\_\_\_\_ I hereby certify that I have read and understand the application submitted herewith and that all statements and comments set forth in that application are true and complete to the best of my knowledge. I understand that misrepresentation, falsification or omission of material facts may result in denial of the business relationship contemplated therein.

Attach a letter of explanation for any "Yes" responses:

1. Have you filed for protection from creditors under any provision of the bankruptcy laws?  
 Yes     No
2. Have you had your real estate or other professional license suspended, or revoked, or received any other disciplinary action from a regulatory agency?  
 Yes     No
3. Are you currently party to a lawsuit?  
 Yes     No
4. Have you ever been named as a defendant in a lawsuit for alleged fraud or misrepresentation?  
 Yes     No

Individual's Signature \_\_\_\_\_ Date: \_\_\_\_\_

Individual's Printed Name \_\_\_\_\_ Date: \_\_\_\_\_

Percentage of Company Owned \_\_\_\_\_  
(over 5%)

Date of Birth: \_\_\_\_\_ Social Security # \_\_\_\_\_

Home Address \_\_\_\_\_  
Street City State Zip Code

Please provide addresses for the past seven years (attach separate sheet if necessary):

1. Home Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_
2. Home Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_
3. Home Address \_\_\_\_\_  
City, State, Zip Code \_\_\_\_\_

Individual's Signature \_\_\_\_\_ Date: \_\_\_\_\_

Individual's Printed Name \_\_\_\_\_ Date: \_\_\_\_\_

Previous name, if any: \_\_\_\_\_

**California Housing Finance Agency**  
**Home Mortgage Purchasing – Wire Instructions**

Lender Name: \_\_\_\_\_

Date: \_\_\_\_\_

WIRE FUNDS TO:

ABA #: \_\_\_\_\_

ACCOUNT #: \_\_\_\_\_

BANK: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

ATTN: \_\_\_\_\_

SEND PURCHASE ADVICE TO:

ATTN: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE/FAX: \_\_\_\_\_

THESE INSTRUCTIONS ARE SUBMITTED BY:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_