



Via E-Mail

Date: July 23, 2019

To: Participating Lenders

From: Betty Temple-Putnam, Sr. Vice President of Single-Family Programs

Re: MHC Lender Notice – Legal Opinion Required Under HUD Mortgagee Letter 19-06

This notice serves to inform our participating Lenders that based on the HUD issued Mortgagee Letter (ML) 19-06 that requires providers of down payment assistance on FHA loans to verify and confirm certain requirements and eligibility. MHC has added our Attorney Opinion Letter to our Lender online registration system and is available for download under the Print Document link. **The legal opinion is not available under the MRB7 & Smart Solution program loans until the loan reaches a Conditional Commitment (loan approval) status on our system.**

Under the Smart Solution TBA program our Master Servicer is ServiSolutions, a division of Alabama Housing Finance Authority. The purchase of your first and second mortgage loans after closing and reimbursements of funds (Purchase Advice) is written verification of the transfer of funds. Please keep that information in your files or as a record of the transfer.

Under the Mortgage Revenue Bond (MRB7) program, MHC issues the Lenders a first mortgage Purchase Certification upon receipt of the MRB Purchase Certification package which includes the down payment assistance closing documents. At that time MHC generates a wire to the originating Lender for the reimbursement of the down payment assistance. MHC will begin uploading the loan wire confirmation to our online registration system for the Lender to print and keep in your files or as a record of the down payment assistance funds reimbursement.

Mississippi Home Corporation (MHC) provides a Conditional Commitment (Loan Approval Letter) that references the required **HUD Legally Enforceable Obligation** verbiage required for FHA loans with down payment assistance under the Mortgage Revenue Bond (MRB7) and Smart Solution TBA loan programs. MHC has followed that procedure since 2014 when the Smart Solution program opened and then also in 2016 when MHC began issuing the Mortgage Revenue Bonds again and will continue to provide the Conditional Commitments on all loans that provide down payment assistance.

Any information provided by MHC is subject to revision should HUD alter or rescind their ML at any time. Thank you and please know that MHC sincerely values our Lender partners.