



Via E-Mail

Date: July 23, 2018

To: Participating Lenders

From: MRB7 Program Bulletin #2

Re:

- **Second Mortgage Note and Deed of Trust**
- **New MRB7 Form - Notice to Borrower – Second Mortgage**

This bulletin serves to notify MRB7 participating Lenders that the MRB Document Set in the Print Document function in the online registration system is a required print on all MRB7 loan reservations.

The MRB7 Document Set generates all the MRB7 forms, including the Second Mortgage Note and Deed of Trust and Tax-Exempt Financing Rider that is to be recorded with the First Mortgage Deed of Trust. There are forms that print that may not be applicable to your loan so go through all the documents once printed and remove the ones not required such as 2 of the 3 Tax-Exempt Financing Riders, Child Support Statement or Non-Borrower Certification.

MHC has also included a **new form** – Notice to Borrower – Second Mortgage (see pg. 2). This is a Second Mortgage disclosure that will now be required with loans reserved as of today. All MRB7 Borrowers must execute this disclosure and the lender must upload the document as a part of the Reservation Package within 3-business days of reserving the loan. The MRB7 Checklist MRB 002 (see pg. 3) has been revised to include the new form.



MISSISSIPPI HOME CORPORATION

NOTICE TO BORROWER
MHC MORTGAGE REVENUE BOND7 SECOND MORTGAGE PROGRAM

I acknowledge by signing below that I am applying for assistance from Mississippi Home Corporation (MHC) in the form of a subordinate, second lien (2nd) mortgage under the MHC Mortgage Revenue Bond (MRB7) Program.

This disclosure Notice is required to be presented to me by the originating lender before settlement (commonly called the “closing”) of my mortgage.

As a borrower under this program, I understand that the subordinate 2nd mortgage loan (the “DPA”) has the following terms and conditions as explained by my originating lender:

1. The interest rate on the DPA is 0% and is non-amortizing (requires no monthly payment).
2. A Loan Estimate (LE) disclosure for both the 1st mortgage and 2nd mortgage (i.e., DPA) must be provided to me by the originating lender before closing (settlement).
3. The total of costs payable by the borrower(s) in connection with the transaction at consummation is less than 1 percent of the loan amount, and is limited to:
 - a. Recording fees for security instruments, deeds, and similar documents,
 - b. A bona fide and reasonable application fee, and
 - c. A bona fide and reasonable fee for housing counseling services
4. No attorney fees can be charged on the 2nd mortgage (lien).
5. I acknowledge that by accepting the down payment assistance (DPA), the first mortgage Interest rate may be higher than a loan without down payment assistance (DPA).
6. The DPA funds can only be used for closing costs, upfront mortgage insurance (MIP), private mortgage insurance (PMI), VA Funding fee, RD Guarantee fee and down payment
7. If I sell the home or refinance my 1st mortgage or no longer occupy the home as my primary residence I understand that my 2nd mortgage (DPA) **not yet forgiven under the terms of the Promissory Note is required to be repaid** to Mississippi Home Corporation. The DPA is not a grant.

If I have any questions about the Program or DPA subordinate mortgage, I will inquire with my lender and contact MHC for additional information before signing this document.

<hr/> Date	<hr/> Signature of Borrower	<hr/> Print Name
<hr/> Date	<hr/> Signature of Co-Borrower	<hr/> Print Name

UPLOAD SIGNED FORM TO MHC

MRB PROGRAM CHECKLIST

Borrower (s)

MRB Reservation Number

RESERVATION PACKAGE

- ____ 1. Reservation Form (MRB 001)
- ____ 2. Reservation Confirmation
- ____ 3. Mortgage Revenue Bond Checklist (MRB 002)
- ____ 4. Copy of Executed Sales Contract or HUD Property Disp. Form 9548 or VA Res. Purch./Sale Agr. Form VRM SC
- ____ 5. Copy of Complete/Executed Loan Application
- ____ 6. Executed Potential Recapture Tax Form
- ____ 7. Notice to Borrower – Second Mortgage (MRB 016)
- ____ 8. Copy of Homebuyer Education Certificate
- ____ 9. Original HAT Loan Agreement (*If Applicable, Upload & Mail Original to MHC prior to MHC approval*)

MHC must receive the uploaded Reservation package documents within three (3) business days of receiving the reservation confirmation.

COMPLIANCE PACKAGE

- ____ 1. Mortgage Revenue Bond Checklist (MRB 002)
- ____ 2. FHA Transmittal or VA Loan Analysis or Fannie Mae 1008
- ____ 3. Verification of Employment (s) and pay stub (s) (*All Applicable Household Members*)
- ____ 4. MHC Income Calculation Worksheet
- ____ 5. Copy of Credit Report for all Borrowers
- ____ 6. Copy of Fraud Guard Report for all Borrowers
- ____ 7. Executed Borrower Certification (MRB 003)
- ____ 8. Executed Non-Borrower Certification (MRB014, *if applicable*)
- ____ 9. Child Support Statement (MRB015, *if applicable*)
- ____ 10. Copy of Appraisal (URAR or Conditional CRV)
- ____ 11. Notification of Change Form (MRB 011, *if applicable*)
- ____ 12. Attorney Information Form (MRB 010) and Wiring Instructions
- ____ 13. Exception Documentation (*if applicable*)
- ____ 14. Letter of Explanation (*if applicable*)
- ____ 15. Copy of Buydown Agreement (*if applicable*)
- ____ 16. 203(k) Maximum Mortgage Worksheet (*if applicable*)
- ____ 17. Copy of Preliminary Closing Disclosure (*HAT Only*)

MHC requires three (3) business days for the compliance review. Once MHC has reviewed the uploaded documents an email will be sent to confirm the Conditional Commitment approval or to provide a list of conditions.

PURCHASE CERTIFICATION PACKAGE UPLOAD ONLINE

- ____ 1. Mortgage Revenue Bond Checklist (MRB 002)
- ____ 2. Executed Borrower Affidavit (MRB 007)
- ____ 3. Copy of Final Executed Closing Disclosures (1st & 2nd Mortgage)
- ____ 4. Copy of Executed Note (HAT Only)
- ____ 5. Copy of Executed Deed of Trust (HAT Only)

FINAL DOCUMENTS – MUST BE MAILED TO MHC ATTN: SINGLE FAMILY – 735 RIVERSIDE DR., JACKSON, MS 39202

- ____ 1. Original Executed Second Mortgage Note
- ____ 2. Original Executed Recorded Second Mortgage Deed of Trust

Once all of the closing documents have been received, MHC will issue a Purchase Certification or list of conditions will be issued. Once the PC is issued, the lender must then sell the first mortgage loan to the MRB Servicer so the loan can be pooled to back a Ginnie Mae, Fannie Mae Mortgage Backed Security or Freddie Mac Certificate.

MRB 002 Rev. 7/23/2018