



Via Email

Date: **January 31, 2017**

To: **Participating Lenders**

Re: **SMART SOLUTION PROGRAM BULLETIN #7**
Revision to Brick & Mortar Rule

This bulletin serves to notify Smart Solution participating & future lenders that Mississippi Home Corporation has removed the previous guideline requiring a participating lender to have a branch location within the State of Mississippi.

See the attached revised guideline that has been made to the Smart Solution Invitation to Participate that can be found online under the Smart Solution Lender Resources link. Contact Betty.Temple@mshc.com if you have any questions.

Eligible Lending Institutions. To be accepted for participation as an originating lender (a "Lender") in the Program, lending institutions must meet the following criteria for a Lender I, II, III, or IV Level approval:

A **Lender I** must (i) have originated single-family residential mortgage loans in the State of Mississippi (such loans having been regularly made to members of the general public and not solely through affiliates of the lending institutions) and provide evidence of being licensed and having originated single-family mortgage loans in the State of Mississippi for at least 12 consecutive months immediately prior to the execution of this Agreement, (ii) have maintained an office in the State of Mississippi or in a bordering state for origination of single-family mortgage loans 12 months prior to the execution of this Agreement (iii) be an FHA/VA/RD-approved mortgagee and an approved Fannie Mae seller/servicer, (iv) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations as a Lender I under the Agreement, (v) if participating in any current or previous program of the Corporation, be in good standing under such current or previous program, (vi) not be, and their parent company, if applicable, must not be, on any form of "watch list" or under any program of specified supervision of the FDIC, Federal Home Loan Bank, NCUA, or other regulatory body, and (vii) be a MERS-approved lender.

A **Lender II** must (i) have originated single-family residential mortgage loans in the State of Mississippi (such loans having been regularly made to members of the general public and not solely through affiliates to the lending institutions) and provide evidence of being licensed and having originated single-family mortgage loans in the State of Mississippi for at least 12 consecutive months immediately prior to the execution of this Agreement, (ii) have maintained an office in the State of Mississippi or in a bordering State for origination of single-family mortgage loans 12 months prior to the execution of this Agreement, (iii) be an FHA/VA/RD-approved mortgagee, (iv) furnish audited financial statements evidencing \$1,000,000 net worth, (v) maintain and furnish evidence of \$500,000 in Errors and Omissions coverage, (vi) maintain and furnish evidence of Fidelity Bond coverage, (vii) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations as a Lender II under the Agreement, (viii) if participating in a current or previous program of the Corporation, be in good standing under such current or previous program, and (ix) not be, and their parent company, if applicable, must not be, on any form of "watch list" or under any program of specified supervision of the FDIC, Federal Home Loan Bank, NCUA, or other regulatory body, and (x) be a MERS-approved lender.

A **Lender III** must (i) have originated single-family residential mortgage loans in the State of Mississippi (such loans having been regularly made to members of the general public and not solely through affiliates of the lending institutions) and provide evidence of being licensed to do business in the State of Mississippi, for at least 12 consecutive months immediately prior to the execution of this Agreement, (ii) have maintained an office in the State of Mississippi or in a bordering State for origination of single-family mortgage loans 12 months prior to the execution of this Agreement, (iii) furnish audited financial statements evidencing \$250,000 net worth, (iv) be an FHA/VA/RD approved mortgagee, (v) maintain \$500,000 in Errors and Omissions Coverage, (vi) maintain Fidelity Bond Coverage, (vii) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations as an Lender III under the Agreement, (viii) be a MERS-approved lender, (ix) have entered into a correspondent lender agreement in a form acceptable to the Corporation with a Lender I to originate single-family mortgage loans in the State, and (x) if participating in a current or previous program of the Corporation, be in good standing under such current or previous program.

A **Lender IV** must (i) be a banking corporation or trust company organized under the laws of the State of Mississippi, under the jurisdiction of the superintendent of banks of the State, or organized under

the law of the United States and is conducting the business of making mortgage loans and taking deposits, (ii) have originated single-family residential mortgage loans in the State of Mississippi (such loans having been regularly originated and not solely through affiliates of the bank) and provide evidence of being licensed to do business in the State of Mississippi for at least 12 consecutive months immediately prior to the execution of this agreement, (iii) have maintained an office in the State of Mississippi or in a bordering State for origination of single-family mortgage loans 12 months prior to the execution of this Agreement, (iv) if participating in any current or previous programs of the Corporation, be in good standing under such current or previous programs, (v) not be, and their parent company, if applicable, must not be, on any form of "watch list" or under any program of specified supervision of the FDIC, Federal Home Loan Bank, NCUA, or other regulatory body, (vi) be a MERS-approved lender, (vii) furnish audited financial statements evidencing \$1,000,000 net worth, (viii) in its Originator/Lender Questionnaire or other submissions to the Corporation have satisfied the Corporation, based on the submitted information, representations and certifications, as to its ability to properly carry out its obligations as a Lender IV under this agreement, and (ix) have entered into a Contract Service Agreement with a private Mortgage Insurer to provide mortgage insurance to conventional loans with a LTV of 80% or greater. All applicants must furnish the Corporation with the information requested in the Corporation's Originator/Lender Questionnaire in sufficient detail acceptable to the Corporation. The Corporation may, in its sole discretion, waive or modify any or all of the foregoing requirements.