



## **SINGLE FAMILY MORTGAGE PROGRAM**

# **SELLING SUPPLEMENT**

## **TO PARTICIPATION AGREEMENT**

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UTAH HOUSING CORPORATION  
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**PART I**

**GENERAL REQUIREMENTS**

**1.01 Participation Agreement, Definitions and Amendments**

This Selling Supplement to Participation Agreement ("Selling Supplement") is incorporated by reference into the Participation Agreement, is part of it and is one of the Participation Documents.

**1.01.1** The general policy of UHC with regard to the Origination and Closing of its Mortgages is that it is a Lender's responsibility to act in the most timely, efficient and responsible manner to protect the interests of UHC as mortgagee and to afford proper service and fair treatment to the Borrower. UHC requires Lender to have well-trained personnel in adequately-equipped mortgage lending facilities to provide proper and professional mortgage lending.

**1.01.2** To obtain a Mortgage Purchase Agreement (MPA) from UHC, Lender must follow the procedures contained in this Selling Supplement. However, the delivery of the Mortgage Loan specified in an MPA is mandatory. Any failure to deliver the Mortgage Loan shall be deemed a Default and shall be subject to all penalties and remedies set forth in the Participation Documents.

**1.01.3** Lender shall be familiar with the Selling Obligations which are the obligations, duties and responsibilities that are required in the Participation Documents. Lender shall also be familiar with, and comply with, all requirements of any Federal, State or local rule or regulation or by any agreement or contract of mortgage insurance or guaranty, and those typical obligations, duties and responsibilities that are in conformance with sound banking and mortgage lending practices. Any material deviation from Participation Documents by Lender, as determined by UHC in its sole discretion, shall constitute a Default and may result in financial penalties assessed by UHC against Lender or any other results and remedies provided in the Participation Documents.

**1.01.4** Although the staff of UHC will be available for guidance, **any interpretation or waiver of any provision of this Selling Supplement shall not be binding upon UHC unless in writing and signed by an Officer of UHC.**

**1.02 Definitions**

As used in this Selling Supplement, unless a capitalized term is defined in this Selling Supplement or has its meaning set forth in Exhibit A of the Participation Agreement, its meaning shall be that indicated by the context.

### **1.03 Amendments**

Amendments and additions to this Selling Supplement may be adopted from time to time by UHC and will be made available to all Lenders. Notifications, amendments and revised Participation Documents will be sent to the Lender electronically to the e-mail address furnished by Lender on the Recitals and Signatures page of this Agreement. It is Lender's responsibility to update and inform UHC, in writing, of changes to Lender contact information. Lender shall ensure that each of its employees acting on its behalf with respect to UHC Mortgage Loans has access to the most current edition of the Selling Supplement with any of its amendments. Each new edition of the Selling Supplement shall also be deemed to be an amendment to prior editions of Participation Documents and shall supersede all such previous editions. Notifications and Participation Documents are available on UHC web-site by selecting the "Lenders" button.

### **1.04 Notices**

Any Program changes issued by UHC will be delivered electronically to the e-mail address furnished by Lender on the Recitals and Signatures page of this Agreement. Lender may not send Nonpublic Personal Information to UHC via e-mail unless it is encrypted using a system acceptable to UHC.

## **PART II**

### **UHC LOAN PROGRAMS**

#### **2.01 Mortgage Loans Originated Through Participating Lenders and Third Party Originators**

UHC Mortgage Loans can be generated in one of two ways:

**2.01.1** Mortgage Loans are generally originated by Participating Lenders, subsequently sold to UHC on a servicing released basis and then serviced by UHC.

**2.01.2** Participating Lenders may sell Mortgage Loans to UHC that are the result of Lender entering into an agreement or relationship with another lender or broker ("third party originators"). Third party originators may take Mortgage Loan Applications, or originate and process, Mortgage Loans for sale by Lender to UHC ("third party originations" or "TPO") provided that all requirements in the Participation Documents are fully met. However, the MPA must be requested by the approved Participating Lender and will be issued to the Participating Lender.

**2.01.2.1** TPO Mortgage Loans must be:

- (1) Closed in the name of the Participating Lender,
- (2) Underwritten, closed and shipped to UHC by Participating Lender, and
- (3) Serviced by UHC.

**2.01.2.2** Lender must perform a post-Closing review of those items required in an FHA quality control plan, on not less than the first five TPO Mortgage Loans delivered for sale to UHC that are originated by each third party originator. Additionally, Lender shall perform a post-Closing review of not less than 10% of the TPO Mortgage Loans originated by each third party originator each calendar year and delivered for sale to UHC. These requirements are in addition to all other post-Closing reviews required of Lender by UHC.

**2.01.2.3** A Lender that sells a TPO Mortgage Loan to UHC is fully responsible for all indemnifications of UHC, and for all representations, warranties, and assurances made in the Participation Documents, as though the TPO Mortgage Loan was dealt with from the beginning by Lender and was not a third party origination. A Lender's obligation to repurchase a Mortgage Loan from UHC as provided in this Selling Supplement applies to any TPO Mortgage Loan sold to UHC.

**2.01.2.4** Lender shall train third party originators regarding all requirements for Mortgage Loans. Lender warrants that the third party originator and its Mortgage Loans delivered to UHC meet all requirements and complies with all laws, regulations and rules imposed by any Federal or State authority.

## **2.02 General Loan Guidelines**

**2.02.1** Although UHC has multiple loan programs that are enumerated later in this Part, some general guidelines apply to all UHC loans:

**2.02.1.1** All Mortgage Loans and Subordinate Mortgage Loans must be secured by Deeds of Trust that include the required MERS language and the required MERS MIN numbers.

**2.02.1.2** Applicants may not exceed the UHC Income limits as shown in Exhibit B to the Participation Agreement.

**2.02.1.3** The Residence Purchase Price may not exceed the UHC Purchase Price limits as referenced in the Exhibit B to the Participation Agreement.

**2.02.1.4** Each Mortgage Loan must be used to finance, and be secured by a Residence, as defined in the Participation Agreement.

**2.02.1.5** Each Mortgage Loan delivered to UHC must have its monthly payments due on the first day of the month.

**2.02.1.6** Each Mortgage Loan delivered to UHC shall not contain any provisions that prohibit or impose charges for early payment of principal in whole or in part.

**2.02.1.7** The maximum amount of a Federally Insured or Federally Guaranteed Mortgage Loan may not exceed that which is permitted by FHA or VA. There is no minimum amount for a Mortgage Loan.

**2.02.1.8** Mortgage Loans may not contain a buydown provision.

**2.02.1.9** Each Mortgage Note shall have a 30-year (360-month) amortization, level monthly payments, a fixed interest rate and shall either be insured by FHA or be guaranteed by VA.

**2.02.1.10** Each Mortgage delivered to UHC shall contain a provision for a late payment charge in an amount not to exceed that allowed by the applicable insurer or guarantor. In no case shall late charge provisions exceed 5% of the amount of the full payment.

**2.02.1.11** Both Mortgage Loans and Subordinate Mortgage Loans may be assumed subject to the purchasers meeting applicable UHC, FHA or VA guidelines, subject to the written permission of UHC and subject to the payment of any required fees.

**2.02.1.12** No cash proceeds of a Mortgage Loan may be disbursed to the Borrower or to any other person for the benefit of the Borrower, including amounts representing value of any land owned by the Borrower before Closing, except for the reimbursement of excess cash deposits or cash down payment paid by the Borrower before Closing.

**2.02.1.13** The Borrower for a FirstHome mortgage may not at any time before the execution of the Mortgage which secures the Mortgage Loan have had a mortgage (or any other form of lien or security interest) on or with respect to the Residence or any portion thereof and no portion of the proceeds of the Mortgage Loan may be used to acquire or replace an existing mortgage (or any other form of lien or security interest) under which the Borrower is an obligor except for a construction-period loan or similar temporary initial financing having a term of twenty-four months (24) or less.

**2.02.1.14** Subject to the requirements of this Selling Supplement, Mortgage Loans may be insured under the FHA 203(k) program or the 203(k) Streamlined program for the purchase and rehabilitation of a Residence. Lender may collect from the Borrower the supplemental origination fee and cost reimbursements as allowed by FHA. Lender shall be responsible to insure full completion of all planned repairs or improvements.

**2.02.1.15** A Borrower with an outstanding UHC mortgage is not eligible for a UHC Mortgage Loan until the outstanding mortgage is paid in full.

## **2.03 Loan Programs**

**2.03.1** Each UHC Mortgage Loan Program is a mandatory-delivery program that allows home buyers, with the help of Participating Lenders, to purchase personal Residences.

**2.03.2** Lenders must sell the Mortgage Loan and, where applicable, any Subordinate Mortgage Loan to UHC “Servicing Released”. If a servicing release fee is due as specified on the applicable Exhibit B to Participation Agreement, its amount will be based on the sum of the original unpaid balance of the applicable Mortgage Loan. Subordinate Mortgage Loans may not be sold to UHC without the accompanying Mortgage Loan.

**2.03.3** The present programs are:

- FirstHome Loan
- HomeAgain Loan
- Score Loan

**2.03.3.1** FirstHome Loan – a Mortgage Loan that is insured by FHA or guaranteed by VA. This program is for first-time homebuyers for a Residence in any Utah location. This program includes an FHA-insured Mortgage Loan or a VA-guaranteed Mortgage Loan and may include a conventional, uninsured Subordinate Mortgage Loan in an amount of up to 6% of the Mortgage Loan.

**2.03.3.1.1** A borrower who has had a previous foreclosure on a Utah Housing Mortgage Loan with a Subordinate Mortgage Loan is not eligible for a Subordinate Mortgage Loan in conjunction with a FirstHome Loan.

**2.03.3.2** HomeAgain Loan– a Mortgage Loan that is insured by FHA or guaranteed by VA. This program is for homebuyers who have previously owned a home as well as first-time homebuyers who do not qualify for the FirstHome program. The Residence can be in any Utah location. This program includes an FHA-insured Mortgage Loan or a VA-guaranteed

Mortgage Loan and may include a conventional, uninsured Subordinate Mortgage Loan in an amount of up to 6% of the Mortgage Loan.

**2.03.3.2.1** A borrower who has had a previous foreclosure or short sale on a Utah Housing Mortgage Loan with a Subordinate Mortgage Loan is not eligible for a UHC Subordinate Mortgage Loan in connection with a HomeAgain Loan.

**2.03.3.3** Score Loan – a Mortgage Loan that is insured by FHA or guaranteed by VA. This program is for homebuyers with credit scores between 620-659 who previously owned a home as well as first-time homebuyers unable to qualify under the FirstHome program. The Residence can be in any Utah location. This program includes an FHA-insured Mortgage Loan or a VA-guaranteed Mortgage Loan and may include a conventional, uninsured Subordinate Mortgage Loan in an amount of up to 4% of the Mortgage Loan.

**2.03.3.3.1** A borrower who has had a previous foreclosure on a Utah Housing Mortgage Loan with a Subordinate Mortgage Loan is not eligible for a Subordinate Mortgage Loan in conjunction with a Score Loan.

**2.03.3.4** Subordinate Mortgage Loan – a Subordinate Mortgage Loan to help Home Buyers with a Mortgage Loan down payment and closing costs.

**2.03.3.4.1** The Subordinate Mortgage Loan must be repaid and is secured by a Subordinate Deed of Trust. It has a Subordinate Note with a 30-year term and an interest rate as specified on the MPA.

**2.03.3.4.2** Subordinate Mortgage Loans do not require their own policy of title insurance, but should be shown in the title insurance policy of the Mortgage Loan in Schedule B. Subordinate Mortgage Loans must always be in second lien position and may not be subordinate to any riders to the Mortgage Loan that secure sums in addition to the amount of the Mortgage Loan.

**2.03.3.4.3** Subordinate Notes become due and payable upon Default of either the Mortgage Loan Note or the Subordinate Note, upon payment in full of the Mortgage Loan or upon an unauthorized transfer of the Residence.

**2.03.3.4.4** To close a Subordinate Mortgage Loan, Lender must insure that the following forms are prepared and executed at Closing:

**2.03.3.4.4.1** Subordinate Note (UHC Form 146)

**2.03.3.4.4.2** Subordinate MERS Deed of Trust (UHC Form 040-A)

**2.03.3.4.4.3** Truth in Lending Disclosure Statement, in a format that is customary for Lender.

**2.03.3.4.5** Before the Subordinate Deed of Trust may be recorded in the applicable county recorder's office, the Deed of Trust for the Mortgage Loan must be recorded in

first lien position. The Subordinate Deed of Trust must always be in second lien position.

**2.03.3.4.6** All fees for Subordinate Mortgage Loans must be reflected on the HUD-1 Settlement Statement. Lenders may not charge the Borrower additional fees associated with originating, processing, underwriting and closing the Subordinate Mortgage Loan except as follows:

**2.03.3.4.6.1** Lenders may collect \$250 at Closing from the proceeds of the Subordinate Mortgage Loan as an UHC supplemental fee for originating and processing the Subordinate Mortgage Loan and preparing the UHC required Subordinate Note and Subordinate Deed of Trust.

**2.03.3.4.6.2** Lenders may collect at Closing from the proceeds of the Subordinate Mortgage Loan the actual amount of incurred third party expenses (i.e. title company costs, recording fees, etc.). However, title company fees for the preparation of the Settlement Statement for a Subordinate Mortgage are limited to no more than \$40.

**2.03.3.4.6.3** No service release fee will be paid for a Subordinate Mortgage Loan.

**2.03.3.4.7** Lender shall fund the Subordinate Note amount at Closing in the same manner that the Mortgage Loan Note is funded. UHC will simultaneously purchase the Mortgage Loan and the Subordinate Mortgage Loan following delivery of the Mortgage Loan Submission Package to UHC and confirmation of Mortgage Loan eligibility.

**2.03.3.4.8** No portion of the Subordinate Mortgage Loan may be disbursed to the Borrower or to any person on behalf of the Borrower.

**2.03.3.4.8.1** The down payment, closing costs, and \$250 UHC supplemental fee payable to Lender must equal or exceed the Subordinate Mortgage Loan amount, with all proceeds of the Subordinate Mortgage Loan applied to those costs, or

**2.03.3.4.8.2** After applying the proceeds of the Subordinate Mortgage Loan to the items enumerated in the foregoing paragraph, if any proceeds remain unused, any unused amounts of the Subordinate Mortgage Loan may be applied to:

**2.03.3.4.8.2.1** A curtailment of the Subordinate Mortgage Loan principal,  
or

**2.03.3.4.8.2.2** Reimbursement of excess down payment or closing costs deposited by the Borrower before Closing.

**2.03.3.4.9** Utah Housing Corporation will not subordinate its Subordinate Mortgage Loan.

## **PART III**

### **MORTGAGE LOAN PROGRAMS AND REQUIREMENTS**

#### **3.01 FirstHome Loan**

##### **3.01.1 Maximum Household Income of Borrowers**

**3.01.2** The Current Annual Household Income of a Borrower may not exceed the Income Limits for the area in which the Residence financed by a Mortgage Loan is located as established and amended by UHC from time to time and referenced on Exhibit B to the Participation Agreement for the twelve-month period beginning on either:

**3.01.2.1** The date of Application if Closing occurs within four months of the date of Application; or

**3.01.2.2** The date of Closing if Closing occurs more than four months after the date of Application.

**3.01.3** In general, if a source of income is not specifically excluded in the second paragraph of the definition of Gross Income contained in the Participation Agreement, the income must be included in the calculation of Current Annual Household Income. However, if Applicant is married, but legally separated (as evidenced by a fully signed separation agreement or separation order, either of which have been filed with the clerk of the appropriate court of law), Gross Income does not need to include the income of the separated spouse who will not be a member of the Household.

**3.01.4** Lender shall obtain and maintain in the loan file sufficient and reasonable documentation to comply with FHA and/or VA requirements. In addition, Lender shall document compliance with UHC requirements by obtaining and maintaining in the loan file documentation of Household Income to include, as applicable, for the appropriate time periods, a standard form of verification of employment and copies of at least two recent paycheck stubs for each employer, verification of other income such as Social Security, child support, alimony, interest earnings, capital gains, aid to families with dependent children, and Federal Tax Returns. Year-to-date profit and loss statements and complete, signed Federal Tax Returns must be included for self-employed Household members.

**3.01.5** In cases when Closing occurs more than four months after the date of Application, UHC requires Lender to obtain new income verifications.

**3.01.6** Lender must obtain clarification when any of the income documentation conflicts with other file documents and evidences or suggests that the Income Limits have been exceeded.

**Example A.** A completed verification of employment might not indicate the payment of overtime or bonuses, but paycheck stubs obtained may reflect the payment of one or both during the past twelve months.

**Example B.** A divorce decree awards child support or alimony, but the Applicant claims payments have not been received. Lender must obtain relevant supporting documentation or evidence that the alimony or child support payments have not been received, i.e. copies of bank account statements which show deposits consistent with employment income and other household income.

**3.01.7** If Lender cannot satisfactorily reconcile multiple income documents, the source(s) indicating the highest income must be used in preparing the Closing documents that itemize the Current Annual Household Income.

### **3.01.8 Three Year Prior Homeownership Restriction**

**3.01.8.1** A Borrower may not have had an ownership interest in his or her previous principal residence (including factory-built housing which is permanently affixed to real property) for the three years preceding execution of the Mortgage.

**3.01.8.2** Lender must, at a minimum, specifically check the following information sources to confirm First-time Home Buyer eligibility:

**3.01.8.2.1** Mortgage Loan Application (Fannie Mae Form 1003):

Check page 3, section VIII (Declarations) for answer to question “m”: “Have you had an ownership interest in a property in the last three years?”

If answer is YES, check answer to question “m”(1): “What type of property did you own?”

If answer is principal residence or second home, Applicant does not meet the definition for a First-time Home Buyer.

If answer is investment property, Applicant may be eligible if Lender can document that Applicant was renting during the past three years.

**3.01.8.2.2** Check all credit accounts for any mortgage loans.

**3.01.8.2.3** Check credit reports for any mortgage loan accounts listed.

**3.01.8.2.4** Obtain a 2-year address history and substantiate accuracy and completeness by comparison with other file documents.

**3.01.8.2.5** Check all other documents in the Mortgage Loan file for any indications of previous homeownership.

**3.01.8.3** Lenders may need to review and furnish a copy of one or more IRS validated Federal Tax Returns when underwriting a self-employed Applicant or a non-salaried borrower (such as a borrower paid commission or mileage).

## **3.02 HomeAgain Loan and Score Loan**

### **3.02.1 Maximum Qualifying Income of Borrowers**

**3.02.1.1** The Mortgage Loan Qualifying Income, calculated annually, cannot exceed the Income Limits as referenced on Exhibit B to the Participation Agreement.

**3.02.1.2** Income used to qualify the Borrower(s) for the Mortgage Loan must be listed on the Automated Findings, FHA Form 92900-LT or VA Form 26-6393 and calculated annually.

**3.01.1.3** The source(s) of income documents indicating the highest income must be used in calculating the Annual Qualifying Income and preparing the Borrower Affidavit (UHC Form 047).

**3.01.1.4** For a Score Loan the Debt to Income ratio on the Automated Findings and the approved 92900-LT or VA Form 26-6393 cannot exceed 45%.

### **3.02.2 No Prior Homeownership Restriction**

**3.02.2.1** Eligibility for HomeAgain and Score Loans is not limited to first time homebuyers.

## **3.03 Residence**

**3.03.1** Each Mortgage Loan must be secured by a Residence that meets all the requirements of this Selling Supplement.

**3.03.2** A Residence is a single-family, owner-occupied dwelling located within the State of Utah with an estimated remaining economic life equal to or greater than the term of the Mortgage Loan. Said Residence qualifies for financing by UHC within the meaning of the Act, the Participation Documents, and UHC's Rules. For purposes of the definition the dwelling:

**3.03.2.1** Includes the land and all improvements securing a Mortgage.

**3.03.2.2** May be a new home (never previously occupied) or an existing home (previously occupied) located in the State of Utah.

**3.03.2.3** May not include a dwelling for which more than 15% of the total area is expected to be used primarily for a trade or business.

**3.03.2.4** May not include a rental dwelling or a dwelling containing a second utility meter.

**3.03.2.5** May not include land financed by the Mortgage greater than one acre, or

five acres in highly rural areas of the State where that amount of land is proved to UHC to be customary for single family residences.

**3.03.2.6** May include units in a Condominium Project or a Planned Unit Development (PUD) provided said unit includes the benefits of the use of all common areas and facilities which are part of the Condominium Project or PUD Project;

**3.03.2.7** May include Manufactured or Modular Housing as defined in the Participation Agreement; however, for any factory-built housing, Lender must complete all procedures required by Section 70D-1-20 of the Utah Code, including, but not limited to, the recordation of the Affidavit of Affixture in order for the dwelling to have achieved the status of an improvement to real property;

**3.03.2.8** May not include Mobile Homes as defined in the Participation Agreement or Motor Homes, Park Trailers or Recreational Vehicles as defined in the Utah Code;

**3.03.2.9** Is of sufficient size to meet all applicable zoning and building, has a foundation certification, a legible Certification Label (also known as a HUD tag attached to the outside of the manufactured home, a legible Data Plate located inside the manufactured home and meets all other applicable codes

**3.03.2.10** Has legally-sufficient access to publicly-dedicated roadways by ownership, permanent easement or permanent rights of way;

**3.03.2.11** A newly constructed Residence may not have portions left unfinished nor have fixtures or architectural appointments omitted or removed in order to reduce the cost of acquiring the Residence below the Purchase Price limits authorized by UHC;

**3.03.2.12** Has culinary water facilities which:

**3.03.2.12.1** Are connected to completed and functioning municipal or other governmental culinary water systems or Stock Water Company systems; or

**3.03.2.12.2** If not connected to a municipal water system or Stock Water Company system, include a functioning well and related or similar systems which are wholly dedicated to the use of the Mortgaged Premises, which systems are located wholly within the boundaries of the Mortgaged Premises, and include all water rights and interests evidenced by the requirements of this Selling Supplement; and

**3.03.2.12.3** Are in compliance with all building, health and zoning codes, restrictions, regulations and other codes and regulations of the city, town or county in which the dwelling is located;

**3.03.2.12.4** Meet the requirements of FHA or VA.

**3.03.2.13** Has sewage disposal facilities which:

**3.03.2.13.1** Are connected to completed and functioning municipal or other governmental sewage disposal systems; or

**3.03.2.13.2** If not connected to a municipal sewage disposal system, shall include a septic tank and related drain fields and pipes which shall be wholly located within the boundaries of the Mortgaged Premises; and

**3.03.2.13.3** Are in compliance with all building, health and zoning codes, restrictions, regulations and other codes and regulations of the city, town or county in which the dwelling is located;

**3.03.2.14** Has electric and telephone utility service;

**3.03.2.15** Has a mechanical or electrical system for heating all habitable rooms of the dwelling;

**3.03.2.16** Includes a recorded Party Wall Agreement, signed by all parties who share all or a portion of a dwelling wall;

**3.03.2.17** Satisfies the requirements of FHA or VA.

#### **3.04 Condominiums and Planned Unit Developments**

**3.04.1** To assist Lenders, Realtors®, and potential home buyers to know if UHC is already tracking its exposure in a particular Condominium or Planned Unit Development (PUD), UHC maintains its own database of Condos and PUDs that can be accessed at all times through the UHC website. The Condo-PUD database provides information about the approximate address to assist in identification when project names are similar, but locations are different. The database also shows the 4-character alpha code that Lenders need when making a web-based MPA Request.

**3.04.2** If a project cannot be found in the Condo-PUD database on the UHC website, Lender must submit to UHC the UHC Condo/PUD Certification (UHC Form 130) to confirm the following for each project: (1) the number of fully completed units, (2) the location and (3) the number of stories.

**3.04.3** For Condominium Projects containing thirty units or more, a fidelity bond or direct surety bond must be maintained at all times, and must cover all persons having access to, or responsibility for, operating funds or reserve funds, with coverage in an amount not less than one and one half times the amount of operating funds or reserve funds held for the project.

**3.04.4** If the owners' association owns the common elements, areas or facilities of a project separately (or holds them in a leasehold estate), title insurance must have been issued and must continue in force on those areas to insure that ownership. The title insurance must insure that the common elements, areas or facilities are free and clear of liens and encumbrances,

including any statutory liens for labor or materials related to improvements on the common areas that began before the title policy was issued.

**3.04.5** Any loan secured by a Condominium or PUD/PRUD and submitted to UHC for purchase must meet all applicable FHA or VA guidelines.

### **3.05 Maximum Purchase Price of a Residence**

**3.05.1** The Purchase Price of a Residence may not exceed the Purchase Price Limits established and amended by UHC from time to time and referenced on Exhibit B to the Participation Agreement. The Purchase Price must include the cost of land and all improvements.

**3.05.2** For a Mortgage Loan insured by FHA under its 203(k) or 203(k) Streamlined program, the cost of completing the Rehabilitation (including any contingency reserve) must be included in the Purchase Price of such Residence. A contingency reserve of not more than 20% of the Rehabilitation amount may be included in the Mortgage Loan. No proceeds of a Mortgage Loan may be used to finance the purchase of a Residence to be moved to a new location and thereafter rehabilitated under the 203(k) or 203(k) Streamlined program.

**3.05.2.1** Escrow Agreement signed by borrower(s) must be delivered to UHC before the purchase of the Mortgage Loan by UHC with an escrow repair completion date no longer than 90 days from closing.

### **3.06 Lender to Deliver Affidavit of Borrower**

**3.06.1** Lender shall deliver to UHC an affidavit, executed by the Borrower, in form required by UHC. This affidavit must be executed by the Borrower and not another person signing under the authority of a Power of Attorney. Such affidavit is designated as a Borrower and Residence Seller Affidavit (UHC Form 047) and may be amended from time to time by UHC.

**3.06.2** Such affidavit shall be dated and delivered to Lender as of Closing and shall be delivered to UHC before the purchase of such Mortgage Loan by UHC.

### **3.07 Lender to Deliver Affidavit of Residence Seller**

**3.07.1** Lender shall deliver to UHC an affidavit, executed by each seller of such Residence, if any, concerning the related Mortgage Loan, in form required by UHC. Such affidavit is designated as a Borrower and Residence Seller Affidavit (UHC Form 047) and may be amended from time to time by UHC.

**3.07.2** Such affidavit shall be dated and delivered to Lender as of Closing and shall be delivered to UHC before the purchase of such Mortgage Loan by UHC.

### **3.08 Investigation by Lender**

**3.08.1** Lender shall investigate the accuracy of the statements made in each affidavit delivered by a Borrower and each affidavit delivered by a seller. Evidence of its investigations should be maintained in the Mortgage Loan files. Such investigation regarding each such Borrower shall include, without limitation:

**3.08.1.1** Examination, to the extent reasonably necessary, of written leases, receipts, employment records and other records pertaining to the previous addresses of such Borrower;

**3.08.1.2** FirstHome Loan- if Applicant indicates having previously owned their own home, but the Applicant indicates the previous home was a Mobile Home, Manufactured Housing or other factory-built home not permanently affixed to real estate, Lender must confirm Applicant's First-time Home Buyer status by completing one of the two steps outlined below.

**3.08.1.2.1** Obtain a copy of the property tax notice showing that the Borrower's previously-owned residence was taxed as personal property and not taxed as an improvement to real property; or

**3.08.1.2.2** Obtain a written statement from Lender or another person, who has inspected the Borrower's previously-owned mobile home or factory built house, that such inspection revealed that the mobile home or factory built house has only had those components removed which operate during transportation and that the housing was not permanently anchored to the ground. The written statement may not be obtained from the Borrower or a person related to the Borrower, or from the seller, builder or real estate agent or any person related to such seller, builder or real estate agent associated with either the Residence to be financed by UHC Loan or the mobile home or factory-built house.

**3.08.1.2.3** Such further investigation as Lender reasonably and in good faith determines to be necessary to assure complete compliance with UHC program requirements.

**3.08.2** Lender must immediately notify UHC in writing of the discovery by Lender of an untrue or incorrect statement in any affidavit, Addendum or certificate delivered by a Borrower, a Residence seller or Lender concerning a Mortgage Loan.

### **3.09 Rider to Deed of Trust**

**3.09.1** Lender shall cause each Mortgage Loan to contain provisions which authorize Lender to accelerate the Mortgage Loan secured thereby upon the occurrence at any time or times of events which may violate terms of the Mortgage Loan. Such provisions shall be contained in a

form required by UHC and designated as a Rider to Deed of Trust (UHC Form 014b) (“Addendum”), which Addendum may be amended from time to time by UHC.

**3.09.2** Such Addendum shall be dated and executed by Borrower as of Closing, shall be attached to and recorded as part of the first Deed of Trust by the office of the recorder of the county in which the Residence is located and shall be delivered to UHC.

### **3.10 Water Rights - Water Stock; Wells, Springs, or Surface Water Rights**

**3.10.1** Stock Water Companies - When a Residence being financed under the Program receives water from a non-municipal water company, shares of stock in the company are usually involved. When the Real Estate Purchase Contract or other sales agreement includes the transfer of stock in a water company (a "Stock Water Company"), a preliminary title report evidences the existence of shares in a Stock Water Company, or Lender discovers by any other means that the Residence receives its water from a Stock Water Company, Lender must perform the following additional steps in connection with the Closing:

**3.10.1.1** Complete, have all Borrowers execute and have notarized the "Water Stock Security and Pledge Agreement" (UHC Form 025). The name of the Water Stock Company, the certificate number(s) and the number of shares must be inserted in the appropriate spaces of UHC Form 025.

**3.10.1.2** Complete and have all Borrowers execute the Water Stock Power (UHC Form 026).

**3.10.1.3** Obtain from the appropriate Stock Water Company or the Borrowers the actual stock certificates which reflect the stock ownership (water shares) of the Borrowers. The original Stock Certificate(s) shall be sent to UHC in the Mortgage Loan file with the Water Stock Security and Pledge Agreement and the Water Stock Power. After Mortgage Loan is repaid in full, UHC will release these three instruments to the Borrowers.

**3.10.1.4** Verify with the State Department of Commerce, Division of Corporations and Commercial Code (the "Division") the good-standing status of the corporation that issued the stock. This can be done by phoning the Division and inquiring as to whether the Water Stock Company is in "good standing." Lender should prepare a memorandum to the file evidencing the date, to whom Lender talked and what they were told by the Division. If the Stock Water Company is not in good standing, the Mortgage Loan must not be closed until such good standing status has been achieved and verified.

**3.10.1.5** Lender should notify the Stock Water Company in writing of the grant of security interest and pledge of the stock by the Borrower in favor of Lender, UHC or its assigns.

**3.10.2** Wells, Springs or Surface Water Rights - When the drinking water for a Residence is obtained from wells, springs or other water sources other than a municipal or other

governmental culinary water system or a Stock Water Company, the following steps must be taken by Lender:

**3.10.2.1** Obtain any required well test results, and determine that the well water sample from the tests meets the requirements of FHA or VA and any governmental authority with jurisdiction over the quality of drinking water.

**3.10.2.2** Obtain from the Borrower(s) or seller of the Residence information concerning the source of the water and the type of ownership rights attendant to the water. Lender must verify that the well, plumbing fixtures, waterworks and all related equipment is located on the Mortgaged Premises. A residence which has as its source of culinary water a well which is only partially owned by the Borrower or whose use is shared with another dwelling or which is located off the mortgage premises, does not qualify as a UHC Residence. Lender shall perform the following steps before Closing:

**3.10.2.2.1** Obtain verification from the State Water Engineer's office (within the State Department of Natural Resources) that the water rights to the water from the well are either certificated water rights or are the subject of an approved application awaiting certification by the State Water Engineer's office. Lender should either obtain copies of applicable documentation or prepare a memorandum to the file evidencing the date, to whom Lender talked and what they were told by the Water Engineer's office.

**3.10.2.2.2** Verify that the Borrower(s) or Residence sellers have ownership rights and title to:

**3.10.2.2.2.1** the subject water rights and interests; and

**3.10.2.2.2.2** all plumbing fixtures, waterworks, and all equipment related to the water system.

**3.10.2.2.3** Verify that all applicable rights and interests of the Residence sellers described in this section 3.10 will be conveyed to the Borrowers at Closing by deed, assignment, and bill of sale.

**3.10.2.3** Prepare, have executed by all Borrowers, and have notarized at Closing, the "Trust Deed, Security Agreement and Assignment (for water rights and interests)" (UHC Form 035), together with Exhibits A & B. Exhibit A to UHC Form 035 must be the "Legal Description" of the real property on which the plumbing fixtures, water works and equipment are located, including any applicable easements or rights of way. Exhibit B to UHC Form 035, must contain the applicable State Engineer's indexing number, application number, location of use, source, quantity, and other rights or other specific information that will accurately reference and describe such water rights and interests.

**3.10.2.4** Lender must record UHC Form 035 and an Assignment of Trust Deed to UHC (UHC Form 012) in the County Recorder's Office in the county where the Mortgaged Premises is located. Lender should also file UHC Form 035 and UHC Form 012 with

(1) the Utah State Water Engineer's office at: State Engineer/Division of Water Rights, Department of Natural Resources, PO Box 143600, 1594 West North Temple, Salt Lake City, Utah 84114-6300 and (2) with the Department of Commerce at: Department of Commerce, Division of Corporations and Commercial Code, P. O. Box 45801, 160 East 300 South, Salt Lake City, Utah 84145-0801.

### **3.11 Permitted Liens and Encumbrances**

**3.11.1** UHC Subordinate Mortgage Loans must always be in second lien position and may not be subordinate to any riders, liens or secondary mortgages that secure sums in addition to the amount of the Mortgage Loan .

**3.11.2** In general, subordinate liens, such as second mortgages, are acceptable to UHC only if such liens and the respective payments required have approval of FHA or VA.

**3.11.3** UHC Subordinate Liens will not be subordinated due to a refinance or any other lien position change.

### **3.12 Permitted Fees and Charges**

**3.12.1** In no event may the fees and charges collected from any party concerning the making of any Mortgage Loan exceed the amounts customarily charged in the State for similarly financed mortgage loans.

**3.12.2** No discount points or a yield spread premium may be charged or collected for FirstHome or HomeAgain Loans unless specified by UHC on Exhibit B of the Participation Agreement.

**3.12.2.1** A one percent UHC Score Loan fee for the Mortgage Loan, payable to Utah Housing Corporation, must be charged for each Score Loan. The fee will be netted from the Mortgage Loan purchase. A yield spread premium may not be charged for a Score Loan.

**3.12.3** Lender may not deliver to UHC for purchase under an MPA any Mortgage Loan where any person in connection therewith charges, pays or receives any money or other consideration except the following:

**3.12.3.1** Fees and charges permitted by FHA or VA.

**3.12.3.2** A warehousing fee to the Lender of ½% of Mortgage Loan amount plus any supplemental underwriting and processing fees.

**3.12.4** For a FirstHome Mortgage Loan, to enable UHC to confirm loan fee compliance with applicable laws and regulations governing its programs, Lender must include on the HUD-1 Settlement Statement an itemization of all fees included in “Our origination charge” in Section 800. The origination fee included in “Our origination charge” cannot exceed 1% of the Promissory Note amount.

**3.12.4.1** The itemization may be listed in the empty lines of the 800 Section as described in FHA Mortgagee Letter 2009-53 as previously announced, **OR**

**3.12.4.2** If, on Line 808 of the HUD-1 Settlement Statement, the follow language is inserted: “See attached addendum for additional information”, an addendum may be attached.

**3.12.5** Lender may not distribute its MPA to, or collect any fee from any other person or entity, other than those allowances made in the Participation Documents. No Mortgage Loan commitments from Lender to any person may be made contingent upon the payment of any unauthorized fees paid to or by any person, or upon future business referrals of any kind.

### **3.13 Credit Underwriting**

**3.13.1** Notwithstanding UHC's right to reject Mortgage Loans as specified in this Selling Supplement, UHC relies on Lender to perform credit underwriting of each Mortgage Loan as if Lender were going to hold each Mortgage Loan in its own portfolio and take all risk associated with each Mortgage Loan. UHC does not, as a standard practice, perform an analysis of the credit quality of the Borrower, but relies on the underwriting performed by Lender and the underwriting performed by or on behalf of FHA or VA to ensure compliance with the specific policies of UHC as well as sound underwriting practices.

**3.13.2** All Mortgages submitted for purchase must comply with UHC’s underwriting policies as well as all FHA or VA requirements. UHC places heavy reliance upon Lender's determination that the Borrower evidences sufficient credit-worthiness.

**3.13.3** Automated underwriting systems, as authorized by FHA or VA may be used to assist in determining the credit-worthiness of Borrowers. However, Lenders must also remember to specifically check Borrower, Co-signer and Residence compliance with UHC policies. Commonly encountered items not considered by automated systems include requirements for Residences (acreage, rental prohibition, etc.), minimum credit scores, ratios for a Co-signer or for a Score Loan Income Limits and Purchase Price Limits. Specific UHC requirements for Mortgage Loans are specified in the Participation Documents.

**3.13.4** Lender shall determine that the Borrower under each Mortgage Loan offered for purchase by UHC evidences willingness and financial ability to justify and benefit from a Mortgage Loan in the amount and on the terms stated. Such determination must be based upon a thorough evaluation by Lender of all available and pertinent credit information. All information must be supported by written documentation maintained in the Mortgage Loan file.

**3.13.5** Lender must evaluate each Borrower's credit-worthiness on a case-by-case basis. All standards for determining effective income must be applied to each Borrower in the same manner. UHC considers the following guidelines to be sound general principles in underwriting credit, and will generally apply these guidelines in reviewing the credit-worthiness of Borrowers with respect to Mortgage Loans tendered to UHC for purchase:

**3.13.5.1** Monthly housing expenses may not exceed FHA or VA requirements as applicable.

**3.13.5.2** The total amount of monthly obligations, including both housing expenses and all other monthly payments, may not exceed the FHA or VA requirements as applicable. Lender agrees to determine that the Borrower's total obligations do not constitute an undue strain on the Borrower's ability to make all such payments promptly.

**3.13.5.3** Stable monthly income is the Borrower's gross monthly income from primary employment base earnings plus recognizable secondary income. Secondary income of any Borrower such as bonus, commission, overtime, or part-time employment should only be recognized as "stable monthly income" if such items of secondary income are typical for the occupation, substantiated by the Borrower's previous two year's earnings and continuation is probable based on previous employment history and foreseeable economic circumstances.

**3.13.5.4** In cases where the Borrower is self-employed, Lender must obtain sufficient documentation to determine compliance with FHA and VA guidelines including the steadiness of Borrower income and the trend of the income in order to accurately calculate Income. At a minimum Lender must obtain a current signed year-to-date profit and loss statement for the calendar year of Application, together with the completed, signed Federal Tax Returns filed with the IRS for the two years prior to Application. If the most recently Federal Tax Return is not yet completed, then the Borrower must furnish a signed profit and loss statement for that year also. .

**3.13.6** Lender agrees to determine that the Borrower has a sound credit reputation evidenced by a tri-merged credit report. Said report must provide all available credit scores based on traditional credit from each of the three major credit repositories and any necessary supplements thereto, issued by an independent credit reporting agency acceptable to UHC. Such report must be furnished, complete, in each Mortgage Loan file submitted to UHC for purchase.

**3.13.7** If repositories cannot furnish credit scores, Borrower will not be eligible for a UHC Mortgage.

### **3.13.8 FirstHome & HomeAgain Loan**

If a Borrower has 3 credit scores based on traditional credit, one may be below 660. The table below reiterates which credit score(s) must be 660 or higher:

- 3 scores: Middle and highest scores must be 660 or above. **Lowest may be less than 660.**
- 2 scores: Both scores must be 660 or above.
- 1 score: That score must be 660 or above.
- No score: Borrower does not qualify for Mortgage.

### 3.13.9 Score Loan

If a Borrower has 3 credit scores based on traditional credit, one may be below 620. The table below reiterates which credit score(s) must be 620 or higher:

3 scores: Middle and highest scores must be 620 or above. **Lowest may be less than 620.**

2 scores: Both scores must be 620 or above.

1 score: That score must be 620 or above.

No score: Borrower does not qualify for Mortgage

### 3.14 Borrowers, Co-Borrowers, Cosigners, Attorneys-in-Fact

**3.14.1** The Mortgage must be signed by each owner of the property. The Note must be signed by any individual whose income and financial strength are needed in order to meet UHC underwriting requirements. The Mortgage and the Note must also be signed by each individual whose signature is necessary under the applicable statutory or decisional law of the State to create a valid lien, pass clear title, waive inchoate rights to property or assign earnings. The use of a non-occupant Co-Borrower (a non-Household member with an ownership interest in the property) is not allowed.

**3.14.2** A Co-signer is allowed for a FirstHome Mortgage only (a person who is liable under a Note secured by a Mortgage, but does not have an ownership interest in the Mortgaged Premises and who may not execute the Mortgage), may be used to help the Borrower qualify for a Mortgage Loan provided that:

**3.14.2.1** The Co-signer is neither the spouse of the Borrower nor an occupant of the Residence, and

**3.14.2.2** Lender underwrites the Mortgage Loan in a manner that assures that the Co-signer has sufficient financial strength to:

**3.14.2.2.1** Meet his or her own financial obligations, (must have a middle credit score of at least 660 as outlined in this Selling Supplement) and

**3.14.2.2.2** Make the Borrower's monthly UHC mortgage payment (at full Note rate) and any other co-signed loan payments, together with all other required payments on the Co-signer's own indebtedness.

**3.14.2.2.3** Have a **total debt ratio that does not exceed 41%** of Co-signer's gross monthly income, excluding the Borrower's income, and must include the mortgage payment for which they will co-sign and all other Co-signer debts and cosigned loans, regardless of who pays them.

**3.14.2.2.4** UHC will not purchase a Mortgage Loan where the loan includes a Co-signer for HomeAgain and Score Loans.

**3.14.3** UHC **will not permit** the Borrower and Residence Seller Affidavit (UHC Form 047) to be signed on behalf of the Borrower by an attorney-in-fact. An attorney-in-fact may execute the Note, Mortgage and Rider to Deed of Trust (UHC Form 014b) on behalf of the Borrower, but only if a power of attorney gives the attorney-in-fact that power by specific or broad language. Attorneys-in-fact may execute the Residence Seller Affidavit and other documents on behalf of the Residence seller, provided that a power of attorney gives the attorney-in-fact that power by specific or broad language. Each power of attorney must be filed in the office of the appropriate county recorder and a copy must be delivered to UHC.

### **3.15 Appraisal and Residence Repair Requirements**

**3.15.1** Appraisals of properties financed by Mortgage Loans must be in compliance with all applicable regulations and instructions of FHA or VA regarding use of forms, Appraisal Data Standardization (UAD), pictures of the property, allowable fees, use of authorized appraisers, etc.

**3.15.1.1** UHC will not purchase any Mortgage Loan where the Appraiser has indicated the property does not meet Minimum Property Standards,

**3.15.1.2** Conventional appraisals are not acceptable.

**3.15.2** When an appraisal is made subject to repairs, alterations, or conditions, or subject to completion per plans and specifications, Lender agrees to obtain and deliver to UHC a certification of satisfactory completion by an FHA or VA approved inspector who, when possible, should be the original appraiser.

**3.15.3** For required Residence repairs or improvements that cannot be completed prior to Closing due only to inclement weather, Lender may escrow funds in an amount not to exceed 1.5 times the estimated or contracted price of incomplete items. Escrowed money shall be held for the joint benefit of UHC and the Borrower in an account fully insured by the FDIC or NCUA. Escrowed moneys shall be released only upon satisfactory completion of the improvements and certification of such completion by an FHA or VA approved inspector who, when possible, should be the original appraiser. Escrowed repairs must be completed within 90 days of closing.

**3.15.4** If there are excess escrowed funds and the source of the escrow was either the UHC Mortgage Loan or the UHC Subordinate Loan, Lender must apply all excess funds to the principal of the Subordinate Mortgage Loan, where a Subordinate Mortgage Loan exists. Otherwise the excess funds shall be applied to the Mortgage Loan. No cash may be given to Borrower.

**3.15.4.1** Lender must deliver to UHC prior to releasing escrow funds copies of cash receipts for the completion of escrowed repairs. Repairs that are paid with a loan or charge card must be paid off with escrowed funds prior to releasing any funds to the borrower.

**3.15.4.2** Lender must deliver to UHC prior to releasing escrow funds a copy of the final repair escrow inspection and photos showing all repairs have been acceptably completed within 90 days of closing.

**3.15.5** Mortgage Loans insured under FHA's 203(k) or 203(k) Streamlined program, for which the Rehabilitation of the Residence will be incomplete upon delivery of the Mortgage Loan to UHC for purchase, shall be handled in all respects in accordance with FHA guidelines, with the following exception:

**3.15.5.1** The fully executed Escrow Agreement must include all repairs and show a completion date of 90 days from closing.

**3.15.5.2** Lender must deliver to UHC prior to releasing escrow funds copies of cash receipts for the completion of escrowed repairs. Repairs that are paid with a loan or charge card must be paid off with the escrowed funds prior to releasing any funds to the borrower.

**3.15.5.3** Lender must deliver to UHC prior to releasing escrow funds a copy of the final repair inspection with photos showing all repairs have been acceptably completed within 90 days of closing.

**3.15.6** Lender agrees to inform UHC immediately in the event Lender deems the work of an approved appraiser to be unacceptable.

**3.15.7** UHC may notify Lender that it will no longer accept appraisals made by a given appraiser, and Lender agrees not to use such appraiser with respect to Mortgages purchased by UHC.

### **3.16 Hazard Insurance Requirements**

**3.16.1** The Mortgaged Premises of each Mortgage Loan delivered to UHC shall be covered by a valid hazard insurance policy issued by a company lawfully doing business in the State and meeting the requirements shown below.

**3.16.2** Insurance coverage in the following kinds and amounts is required on the Mortgaged Premises:

**3.16.2.1** The scope of coverage must be equal to or greater than standard extended coverage that provides for claims to be settled on a replacement cost basis and must include coverage for both the exterior and the "walls-in" sections of the Mortgaged Premises.

**3.16.2.2** Except for condominiums and PUD projects (see 3.16.3 below), the amount of coverage must equal or exceed the greater of:

**3.16.2.2.1** The unpaid principal balance of the mortgage (plus the unpaid principal balance of any Subordinate or Second Mortgage) up to, but never having to exceed 100% of the replacement cost of any insurable improvements as determined by the insurer.

**3.16.2.2.2** At least 80% of the replacement cost of any insurable improvements as determined by the insurer.

**3.16.2.3** Such insurance must be in effect on the date of delivery to UHC of the Mortgage Loan for purchase, and the expiration date of each policy must be at least nine months after the date of delivery.

**3.16.2.4** If Lender has actual knowledge of, or if an appraisal indicates that the Mortgaged Premises is exposed to any appreciable hazard against which fire and standard extended coverage does not afford protection, Lender shall obtain coverage against such hazard before delivery of the Mortgage Loan to UHC. In addition, each insurance policy shall be sufficient in amount and scope of coverage to meet the requirements of FHA or VA as applicable.

**3.16.2.5** UHC requires that flood insurance coverage be maintained at all times for any Residence when the improvements are located in a Special Flood Hazard Area that has Federally-mandated flood insurance purchase requirements. Special Flood Hazard Areas that have mandated flood insurance requirements are any areas designed by the following symbols -- A, AE, AH, AO, AI-A30, A99, V, VE, VO or V1-V30 -- on a Flood Hazard Boundary Map or a Flood Insurance Rate Map.

**3.16.2.6** Lender may not deliver a Mortgage Loan secured by property located in one of these areas unless the improvements are covered by flood insurance. Coverage must be equal to or greater than standard extended coverage that provides for claims to be settled on a replacement costs basis in an amount equal to that specified in this Part.

**3.16.2.7** The maximum deductible clause shall be the lesser of \$1,000 or 1 percent of the policy face amount.

**3.16.2.8** Any insurance policy required in connection with a Mortgage Loan sold to UHC must contain a "standard mortgagee clause" naming UHC, its successors or assigns.

**3.16.3** Insurance coverage for a Condominium Project or PUD Project containing a Condominium Unit or attached PUD Unit that secures a Mortgage Loan must be in conformity with the following requirements:

**3.16.3.1** A multi-peril type of policy is required covering the common areas and facilities of the project and the entire building containing the Condominium Unit or PUD Unit providing as a minimum "all risk" coverage that provides for claims to be settled on a replacement cost basis. The policy must comply with all UHC, FHA/VA and State Requirements for Dwellings with Home Owners Association Insurance including but not limited to the following:

**3.16.3.1.1** A master property insurance policy (HOA Policy) issued to an association may not prevent a unit owner from obtaining insurance for the unit owner's own benefit, i.e. a supplement to cover a large deductible,

**3.16.3.1.2** The total amount of the coverage provided by the HOA Policy may not be less than 100% of full replacement cost of the insured property,

**3.16.3.1.3** HOA Policy shall include coverage for any fixture, improvement or betterment installed by a unit owner (including carpet, heating, plumbing, cabinets, etc.),

**3.16.3.1.4** Unit must be physically attached to another unit or an above-ground structure that is part of a common area of the facility,

**3.16.3.1.5** A HOA Policy must show each unit owner as an insured person under the policy, along with the USPS property address. The Unit Owner and property address must match “Borrower” name and the address as listed on the Deed of Trust,

**3.16.3.1.6** A copy of the HOA Policy must be provided to UHC. If Borrower’s policy deductible exceeds \$1,000 the Borrower is required to provide a supplemental policy to cover the deductible cost exceeding \$1,000. The cost of the supplemental policy must be escrowed and included in Borrower’s calculations for qualification.

**3.16.3.1.7** The HOA Policy effective date must be on or before the Borrower takes title.

**3.16.3.1.8** UHC will not purchase any loan where an HOA Policy is insufficient to cover past or present expenses or the association is in a legal dispute with unit owners.

**3.16.3.2** In cases where the HOA Policy does not include interior unit coverage, including replacement of interior improvements and betterment coverage to insure improvements that the Borrower has made to the unit, the Borrower must obtain a “walls in” coverage policy (HO-6 Policy). The deductible for this policy must not exceed \$1,000 and coverage must not be less than 100% of full replacement cost of the insured property.

**3.16.3.3** Lender must have the original or a photocopy of the multi-peril policy and the boiler and machinery insurance policy. Each such policy must contain the “standard mortgagee clause” which must be endorsed to provide that any proceeds shall be paid to the applicable Condominium Project or PUD Project owners’ association for the use and benefit of mortgagees as their interests may appear, or must be otherwise endorsed to protect fully UHC’s interest.

**3.16.3.4** Should any part of the Condominium Project or PUD Project be located in a Special Flood Hazard Area as described in this Selling Supplement, flood insurance must be maintained in force for the term of the Mortgage Loan.

**3.16.4** All hazard and flood insurance policies must have the “standard mortgagee clause” commonly used by private institutional mortgage investors. Such clause must provide that the insurer will notify the named mortgagee at least 10 days before any reduction in coverage or cancellation of the policy. The endorsement for the “standard mortgagee clause” must show the

name of UHC followed by the phrase, "its successors and assigns." The "standard mortgagee clause" of insurance policies obtained by PUD or Condominium Project owners' associations must be endorsed to fully protect the interests of UHC.

**3.16.4.1** All Mortgage Loans delivered to UHC must include a Life Time Flood Certification showing the borrower and property address. If the property is located in a Flood Zone, Flood Insurance Policy must be provided to UHC, coverage must in force at time of closing and effective for at least twelve months following the date of closing. The premium must be paid in full and an amount equal to 1/12<sup>th</sup> of the annual premium must be escrowed and disclosed to the borrower.

**3.16.5** Lender, to the extent permitted by law, hereby assigns to UHC on the date of delivery of a Mortgage Loan all of its right, title, and interest in such insurance policies or contracts and any benefits which it has received or which it may receive in the future on all Mortgage Loans delivered to UHC.

**3.16.6** Insurance coverage which does not meet the requirements specified in this Part will be considered on a case basis by UHC upon request of Lender. UHC may require such additional coverage as it deems necessary concerning any case or group of cases.

**3.16.7** Each hazard insurance policy must be written by an insurance carrier licensed or authorized by law to transact business within the State that has been rated in the most recent Best's Key Rating Guide no lower than the following:

Best's Ratings..... B and  
Financial Size Category..... V

**3.16.7.1** Insurance policies written by an insurance carrier that does not meet the these required ratings will be acceptable provided that a reinsurer meeting these same ratings has executed a Certificate of Reinsurance, a Treaty Contract, an Assumption Liability Agreement or similar agreement or endorsement providing for 100% reinsurance of the insurer's policy, and the insurer has executed the reinsurance agreement and attached it to the policy.

**3.16.7.2** The reinsurance agreement must provide for a 90 day or three month written notice of termination to Lender, its successors or assigns or to UHC.

**3.16.8** Policies are unacceptable that: (1) under the terms of the carrier's charter, by-laws, or policy, contributions or assessments may be made against UHC or designee thereof; or (2) contribution requirements or assessments may be made against the Borrower which could become a lien on the Mortgaged Premises superior to the lien of the Mortgage; or (3) by the terms of the carrier's charter, by-laws or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (4) the policy includes any limiting clauses (other than insurance conditions) which could prevent UHC or the Borrower from collecting insurance proceeds.

### **3.17 Title Insurance**

**3.17.1** Each Mortgage Loan submitted to UHC for purchase must be the subject of (1) an ALTA Short Form title insurance policy or (2) an ALTA title insurance policy, either of which must be issued by an insurer acceptable to UHC. The title insurance must be in an amount at least equal to the outstanding principal balance of the Mortgage Loan, naming UHC as the insured or containing endorsement 104.1, or its equivalent, naming UHC as the insured, insuring that the Mortgage constitutes a first lien on the Mortgaged Premises, with an effective date no later than the recording date of the Mortgage. The policy must insure that the estate of the mortgaged property is held in fee simple by the Borrower. The policy must be subject only to current taxes and assessments not yet due and payable and permitted liens and encumbrances as described in this Part. Any Subordinate Mortgage Loan shall be shown in Schedule B of the policy. Without limiting the generality of the foregoing, the policy must insure against mechanic or material men's liens for work performed or materials supplied before the date of the Mortgage. Any liens or encumbrances which may appear, including any liens for subordinate financing which have been approved by UHC pursuant to this Part, but for which UHC is insured against as first lien holder, must be shown on the policy of title insurance.

**3.17.2** Although CLTA endorsements 100 and 116 are needed with the ALTA title insurance policy, they are not required when using the ALTA Short Form policy because equivalent coverage is already included. However, ALTA endorsement 8.1 or its equivalents must be furnished with either type of policy. For a Residence which is a Condominium Unit, a PUD Unit or is Manufactured Housing, the policy must include ALTA endorsements 4, 5 or 7, respectively, or their equivalents.

**3.17.3** The legal description of real property in any title insurance policy or other document must be the same as that set forth in the related Mortgage. For Condominium Units or a PUD Unit, the legal description must be stated in accordance with applicable law, must describe the unit securing the mortgage, the percentage of undivided interest in common areas, any non-exclusive easement to use common areas and facilities and any significant limited common areas or exclusive easements over common areas.

### **3.18 Mortgage Insurance or Guarantee**

**3.18.1** Each Mortgage Loan submitted to UHC must be covered by valid and enforceable mortgage insurance or guarantee acceptable to UHC. UHC shall specify in the applicable Participation Documents which types of mortgage insurance coverage or guarantee are required under the Program.

**3.18.2** Federally Insured (FHA) Mortgage Loans shall be insured to the maximum amount permitted by FHA. Mortgage Loans insured under FHA's 203(k) or 203(k) Streamlined program shall only be eligible for purchase by UHC where the dwelling is permanently fixed to the land on which it is located before the date of the agreement between the seller of the dwelling and the Borrower to purchase such dwelling.

**3.18.3** After receiving notification from UHC that it has purchased one or more Mortgage Loans, Lender must electronically complete the FHA Notice of Transfer (formerly HUD Form

92080) for each Mortgage Loan [UHC Mortgagee code is 52167-0999-8].

**3.18.4** VA Guaranteed Mortgage Loan guarantees must comply with the following:

**3.18.4.1** The guarantee must be based on the entire amount of the Mortgage. The full amount of the Veteran's available guarantee must be applied to the Mortgage. The dollar amount of the guarantee must be at least equal to the greater of \$5,000 or 25% of the original principal amount of the Mortgage. If both the Borrower and Co-Borrower (who must be an owner-occupant of the Residence) have available guarantees, the total amount of the combined available guarantees may be used to meet the requirements.

**3.18.4.2** The unguaranteed portion of the Mortgage amount cannot be greater than 75% of the higher of the Purchase Price of the Residence or VA's estimate of reasonable value.

**3.19 Mortgage Electronic Registration System (MERS)**

**3.19.1** Each Mortgage Deed of Trust submitted to UHC must be registered with MERS. Each Deed of Trust assigned to UHC must be recorded with the MERS number included on the Deed of Trust.

**3.19.2** The Lender must transfer in MERS the Investor and Servicer rights to UHC within 7 calendar days or less of UHC purchasing a Mortgage Loan.

**3.20 Forms**

**3.20.1** Mortgages and Subordinate Mortgages must all include the MERS language and MERS MIN number and any related documents used by Lenders in the case of Federally Insured or Federally Guaranteed Mortgages must meet the requirements of FHA and VA as applicable.

**3.20.2** UHC makes available specific forms that Lender must use in the case of the Origination, Closing and sale to UHC of Mortgage Loans. Copies of these forms may be downloaded by Lender from the UHC website at [www.utahhousingcorp.org](http://www.utahhousingcorp.org) in the Lenders section. Lender may generate reproductions and replicas of UHC forms, but the reproductions and replicas must be in the same format and contain, without deviation and in order, all language contained and information to be reported in such UHC forms.

## PART IV

### MORTGAGE PURCHASE AGREEMENT REQUEST PROCEDURES

#### 4.01 Submission Requirements

**4.01.1** UHC broadcasts via e-mail and on its website an interest rate that will not be exceeded for each available loan program for commitments issued during a specified time period. This enables Lender to know the maximum interest rate for which a Borrower must qualify and any underwriting findings submitted to UHC for a commitment must include an interest rate of no less than the rate broadcast by UHC.

**4.01.2** All requests for an MPA must be entered on UHC's website. Lender may request an MPA as soon as credit or automated approval has been received for any Borrower, Co-Borrower and Co-Signer. Lender may not send Nonpublic Personal Information to UHC via e-mail unless it is encrypted using a system acceptable to UHC.

**4.01.3** To request an MPA by accessing UHC's website, Lender employee must sign into the Lender-restricted area by entering the requisite login information, click on Enter an MPA button and input required Mortgage Loan, Applicant and Residence data. The property address entered on the MPA request must be the legal address as verified by the Title Company.

**4.01.4** Lender agrees to be responsible for safeguarding passwords or other UHC-issued security information and shall only disclose UHC web security information to authorized persons who are employees of Lender. UHC may rely on any information (including any MPA request) supplied by Lender through UHC's website.

**4.01.5** When requesting an MPA the Lender agrees as follows:

**4.01.5.1** UHC will deem any requests for an MPA ineligible until Lender shall deliver to UHC (electronically or by mail or hand delivery) the following documents for the Mortgage Loan:

**4.01.5.1.1** A copy of the current form of Loan Application Disclosure (UHC Form 045) signed and dated by the Applicant; and

**4.01.5.1.2** One of the following underwriting documents:

**4.01.5.1.2.1 Automated Underwriting Findings Report** if automated system issues "Accept", "Approve" or "Refer" (but only if "Refer" is issued solely based on insufficient credit information), or

**4.01.5.1.2.2 Underwriter's signed Credit-only approval.** The Credit-only approval should not be subject to any conditions that would indicate any question about the ability of the Applicant to actually proceed to Closing as long as the Residence meets guidelines.

**4.01.6** Prior to closing the Mortgage Loan, Lender shall obtain a copy of the MPA from UHC's website to verify the interest rate commitment issued and the Mortgage Loan amount reserved.

## **4.02 Delivering Mortgage Loans to UHC**

**4.02.1** If UHC issues an MPA, Lender must close the Mortgage Loan and deliver to UHC all the items required under the Participation Documents **no later than one month following the issuance of the MPA**. If Lender fails to do so, it shall be subject to the penalties specified in the Participation Documents.

**4.02.2** To obtain a modification of an MPA, Lender must make the request in writing and provide appropriate documentation to substantiate the request. If, in its sole discretion, UHC consents to such modification, UHC shall issue an amended MPA to Lender. UHC is under no obligation to modify an MPA.

**4.02.3** Lender represents and warrants that all information provided by Lender in connection with an MPA including without limitation the descriptions of the Borrower, Co-Borrower, Non-Occupant Co-Signer (FirstHome only), Residence and Mortgage Loan Amount, is true and correct.

**4.02.4** Lender reaffirms its representations, warranties and covenants set forth in the Participation Documents including, without limitation, its representations and warranties regarding its status and qualification as a Lender. Lender affirms that it has access to Exhibit B to Participation Agreement and other Participation Documents.

**4.02.5** The obligations, representations and warranties of Lender referred to in the MPA and the Participation Documents shall continue in full force and effect notwithstanding the duration, assignment or transfer of the servicing of the Mortgage Loan, the status of payments under the Mortgage Loan, whether current or delinquent, or the payment in full of the Mortgage Loan.

**4.02.6** Upon the issuance of an MPA, UHC agrees to purchase from Lender the Mortgage Loan (and the Subordinate Mortgage Loan, if applicable) upon its delivery in compliance with the terms, conditions, representations and warranties contained in the Participation Documents.

**4.02.7** Lenders must request an MPA only for qualified Applicants, and Lenders must cancel an MPA for Mortgage Loans that will not be delivered as agreed. Lenders who, in the sole opinion of UHC, do not fulfill this mandate may be subject to any remedies enumerated in the Participation Documents.

## **4.03 Written Cancellation and File Non-Delivery Fee**

**4.03.1** Lender must deliver a written MPA cancellation to UHC when circumstances occur that will prevent an existing MPA commitment from being used for a particular Applicant. Lender must notify UHC in writing of a cancellation within two business days of Lender's making such determination or having knowledge of such circumstances.

**4.03.2** For any MPA cancellation request received from Lender or for an MPA that expired or was cancelled by UHC (including those for which an extension has been issued), Lender will, at the sole

option of UHC, be charged a non-delivery fee of \$400 together with any applicable file late-delivery fees or extension fees. The non-delivery fee and any other applicable fees may, at the sole option of UHC, be deducted by UHC from any future Mortgage Loan purchase. In addition, UHC may take any or all actions outlined in the Participation Agreement should UHC, at its sole option, identify a pattern of continuing non-deliveries, it may use any of the remedies outlined in the Participation Agreement.

#### **4.04 Resubmission of Mortgage Purchase Agreement Requests**

Any Applicant for whom an MPA is issued by UHC and which is subsequently canceled or expired will be ineligible for another MPA Request for six months from the date the cancellation or expiration is recorded by UHC.

#### **4.05 Mortgage Purchase Agreement Request Processing**

**4.05.1** UHC will generally issue an MPA in the order in which the request for an MPA and required materials are received and approved. .

#### **4.06 Closing And Mortgage Purchase Agreement Consistency**

**4.06.1** Upon receipt of the MPA, Lender must close the Mortgage Loan in the amount stated at the interest rate specified. UHC will be under no obligation to purchase a Mortgage Loan closed for an amount which is different than, or at an interest rate that is different from, that which is specified on the MPA.

**4.06.2** For FirstHome loans only, Lender must include on the HUD-1 Settlement Statement an itemization of all fees included in “Our origination charge” in Section 800 as follows:

**4.06.2.1** The itemization may be listed in the empty lines of the 800 Section as described in FHA Mortgagee Letter 2009-53 as previously announced, **OR**

**4.06.2.2** If, on Line 808 of the HUD-1 Settlement Statement, the follow language is inserted: “See attached addendum for additional information”, an addendum may be attached.

**4.06.3** Lender may increase or decrease the Mortgage Loan Amount specified on an MPA without requesting a modification of the MPA in an amount not to exceed 2% of the specified Mortgage Loan Amount.

**4.06.4** If, after the MPA has been issued to Lender, Lender needs to change one or more items on the MPA (including the Residence address), Lender must submit a written change request with appropriate documentation to UHC and obtain an amended MPA. If the interest rate at the time of the request to modify the MPA is higher than the interest rate listed on the MPA, UHC, at its sole discretion, may amend the Interest Rate to the higher interest rate.

#### **4.07 Final Mortgage Delivery Date and Extensions of the Final Mortgage Delivery Date**

**4.07.1** Each Mortgage Loan must be delivered to UHC by **one month following issuance of the Mortgage Purchase Agreement** (the **Final Mortgage Delivery Date**).

**4.07.2** Extensions to the applicable Final Mortgage Delivery Date may be granted providing that Lender completes an on-line extension request on the UHC website. No more than one 30 day extension is available.

**4.07.3** Requested extension shall extend only the applicable Final Mortgage Delivery Date and shall result in the extension fee shown in the following schedule:

<u>Initial Final Mtg. Delivery Date</u>	<u>Additional Time</u>	<u>Extension Fee</u>	<u>Total Rate Lock Period</u>	<u>Total Extension Fee</u>
1 month at no cost	Additional 1 month	\$400	2 months	\$400

#### **4.08 MPA Expiration**

Lender's failure to either (1) deliver the Mortgage Loan file or (2) complete the extension request prior to the Final Mortgage Delivery Date, shall cause the MPA to expire.

#### **4.09 File Late-Delivery Fee**

A Lender that delivers a Mortgage Loan after the applicable Final Mortgage Delivery Date without UHC's prior written extension, and which UHC, in its sole discretion, agrees to purchase, shall be charged a file late-delivery fee of \$250 for each month or part thereof beyond the Final Mortgage Delivery Date (as extended, refer to 4.07.3 if applicable) and any applicable extension fee(s). UHC shall deduct file late-delivery fees from the Mortgage Loan purchase price.

## **PART V**

### **MORTGAGE PURCHASE PROCEDURES**

#### **5.01 Mortgage Submission Package**

**5.01.1** Mortgage Loans must be delivered to UHC at its principal office or such other place as it may designate.

**5.01.2** Lender shall deliver to UHC, with respect to each Mortgage Loan, a mortgage submission package in the document order specified by UHC on its current form of Checklist for File Imaged Submission (UHC Form 144A). Lender must deliver electronic mortgage submission packages and mortgage condition documents by accessing UHC's website. All imaged mortgage loan package submissions will be charged a \$15.00 per loan delivery/review fee. The fee will be deducted from the purchase of the Mortgage Loan and cannot be passed on to the borrower.

**5.01.2.1** Lender has the option of delivering a paper mortgage loan package and conditions by following UHC's current form of Checklist for Paper Loan Package Submission (UHC Form 144). All paper loan package submissions will be charged a \$45.00 per loan delivery/review fee. The fee will be deducted from the purchase of the Mortgage Loan and cannot be passed on to the borrower.

**5.01.3** Each Mortgage Note or Subordinate Mortgage Note must include an endorsement, executed by a person on file with UHC as an authorized signer of Lender, and worded as follows:

#### **Pay to the order of Utah Housing Corporation without recourse**

**5.01.4** Upon delivery of each mortgage submission package, the submitted materials are reviewed for completeness, document order, and legal compliance. In addition, UHC will confirm receipt of the FHA mortgage insurance certificate (MIC) or VA guarantee certificate before a loan will be eligible for purchase.

**5.01.5** For submission packages not submitted in the required document order or containing excessive documentation Lender may, at UHC's sole discretion, be charged \$100. The fee will be deducted from the purchase of the Mortgage Loan.

**5.01.6** The status of the Mortgage Loan review can be monitored by accessing the Lender Login page on UHC's website.

**5.01.6.1** Approved for Purchase: this link is for acceptable Mortgage Loan submission packages and will show the Mortgage Loan was reviewed, approved and ready for purchase. The loan will be purchased typically within 3-5 work days from the date approved for purchase.

**5.01.6.2** Pre-Purchase Conditions: this link will show the Mortgage Loan was submitted incomplete and requires additional documentation. In order for UHC to consider purchase of the Mortgage Loan, Lender must provide all required documents for the listed conditions within one month from the underwriting review date. If within one month from the date of the underwriting

review the required documents have not been received to make the submission package eligible for purchase, UHC may, at its sole discretion take one of the following actions:

**5.01.6.1** Accept the package late and charge a \$250 reconsideration fee , or

**5.01.6.2** Re-assign the Mortgage Loan to Lender and charge the \$400 non-delivery fee.

**5.01.7** Any reconsideration fee or non-delivery fee not received by UHC within one month of a written notice from UHC to Lender requesting the same, may be deducted from the next purchase of one or more Mortgage Loans from Lender.

## **5.02 Incomplete Mortgage Loans**

**5.02.1** UHC may, at its sole option, purchase an Incomplete Mortgage, as defined in the Participation Agreement. For any Incomplete Mortgage that UHC purchases, Lender shall have **two months** from such purchase to provide to UHC any documents or information UHC reasonably requests to be delivered for completion of the mortgage submission package. If Lender delivers the documents or information UHC requires within the applicable period, such Incomplete Mortgage shall no longer be deemed an Incomplete Mortgage.

**5.02.2** If Lender fails to deliver the documents or information required by UHC to complete the mortgage submission package for any such Incomplete Mortgage within two months, UHC may, at its sole discretion, choose one of the following actions:

**5.02.2.1** Require repurchase of the Incomplete Mortgage and any related Subordinate Mortgage by Lender by no later than one month from the date of written notice from UHC to Lender, or

**5.02.2.2** Accept the required documentation late and charge Lender an Incomplete Mortgage late fee as follows:

**502.2.2.1** Accept the required documentation late and charge an Incomplete Mortgage late fee of \$250 per month or part of a month beginning two months from the date of purchase of Mortgage Loan. (See UHC Remedy Fee Table in Part V of the Participation Agreement.) Said fee will be netted from the next purchase of one or more Mortgage Loans from Lender.

**5.02.3** In the event of a failure of Lender to repurchase the Incomplete Mortgage, if so required by UHC in accordance with the terms contained in this Selling Supplement, Lender shall be in default and UHC is entitled to the remedies set forth in the Participation Agreement and/or:

**5.02.3.1** Charge Lender a repurchase late fee equal to \$700 per month or part thereof (see UHC Remedy Fee Table in Part V of the Participation Agreement) commencing one month from the date of UHC's written repurchase request to Lender. Said repurchase late fee may be paid by Lender directly to UHC or UHC, at its option, may deduct said fee from the purchase of a Mortgage Loan or from any other amounts UHC may owe to Lender.

### **5.03 UHC's Right to Reject Mortgage Loans**

Notwithstanding anything in the Participation Documents to the contrary, UHC shall at all times have the right to decline to purchase any Mortgage Loan delivered to it by Lender if, in the reasonable opinion of UHC, the Mortgage Loan does not conform to the requirements of the Act, FHA and/or VA requirements, UHC's Rules, the Participation Documents, or the applicable general Resolution.

### **5.04 Purchase of Mortgage Loans**

**5.04.1** UHC, in its sole discretion, may purchase a Mortgage Loan in a principal amount exceeding 2% of the loan amount specified on the MPA.

**5.04.2** The Mortgage Loan purchase price shall be 100% of the outstanding principal balance thereof, plus unpaid accrued interest thereon as of the date of purchase, together with any other adjustments specified in this Selling Supplement.

**5.04.3** The Subordinate Mortgage Loan purchase price shall be 100% of the outstanding principal balance thereof, plus unpaid accrued interest thereon as of the date of purchase. No file late-delivery fees shall be paid for Subordinate Mortgage Loans as long as they are delivered in acceptable content and format simultaneously with the Mortgage Loan.

**5.04.4** Following a determination by UHC that the Mortgage Loan is eligible for purchase, UHC will disburse funds to Lender or its designee. Such disbursement will be in an amount equal to:

**5.04.4.1** The amount of the Mortgage Note,

**5.04.4.2** Plus accrued interest from the date of the last paid installment to, but not including, the date of purchase by UHC,

**5.04.4.3** Plus any amount due Lender for a servicing release fee and interim servicing fee,

**5.04.4.4** Less any Mortgage Loan payment whose due date is on or before the purchase date,

**5.04.4.5** Less any applicable UHC fees,

**5.04.4.6** Less the servicing fee of .33% per annum for the same period,

**5.04.4.7** Less amounts to be kept by UHC for escrow deposit or tax service fee.

**5.04.5** All whole-month interest calculations are made using 30-day months, 360-day years. Interest calculations for periods of less than one month are based upon a 365-day year.

**5.04.6** UHC will make delivery of payment for Mortgage Loans purchased according to the instructions UHC has on file, provided by Lender on Mortgage Payment Instructions (UHC Form 126).

## **EXHIBIT A TO SELLING SUPPLEMENT**

### **Lender Portal Usage Manual**

Any person may visit the UHC website and access a variety of helpful information. The restricted section for Lenders, however, is to be accessed only by Lender employees with whom the Lender has shared the required User ID and Password.

#### **A. Lender Login Security Policy:**

1. UHC will initially send written instructions regarding the User ID and Password to senior management of each Lender. Instructions will also be included about how the required password may be changed periodically by a Lender System Administrator as necessary. Lender must complete UHC Form 161, Mortgage Lender's Certification of Authorized Administrator; the form must be signed by the Lender's UHC authorized signer.
2. The utilization of an Authorized Administrator will enhance the security of access to a Lender's borrower information by requiring a password for each Lender-user of the webpage. The Authorized Administrator will be able to authorize additional administrators (i.e. managers for each branch office).
- 3.. Lender shall be responsible for safeguarding passwords or other UHC-issued security information and shall only disclose such information to authorized persons. The webpage provides different levels of access and views for the different processes of a UHC loan such as: a) Lock a Rate (MPA), b) Loans in Progress (Approved for Purchase, Pre-Purchase and Post Purchase Conditions) and c) Purchase Detail Report. The Authorized Administrator should only allow access to the part of the webpage to an employee who needs access to complete their job. It is imperative that the Authorized Administrator delete users and any other Authorized Administrators who leave the company so they do not continue to have access to the Lender's borrower information.