



May 11, 2020

Streamlined Loan Purchase Timeline

In partnership with Idaho Housing and Finance Association, the Iowa Finance Authority (IFA) will follow the deadlines listed below for delivery effective with loans closing after May 18, 2020.

In an effort to meet these critical timelines, IFA will no longer issue pre-close commitments with subject to conditions, i.e. appraisal, MRB 01, MRB 03, MCC 01, MCC 03, etc. Please follow the pre-close transmittal in Lender Online for stacking purposes and to ensure a complete package is submitted.

Effective immediately, if the pre-close submission is missing documentation you will receive an email notification that the file is incomplete. You can view the reasons for incomplete status in Lender Online. Once the incomplete items are submitted, reviewed and approved, IFA will issue the pre-close commitment. Please hold all conditions and submit outstanding documents all at once rather than individually, this will make for a smoother transaction for all.

Our goal is not to delay closing dates, however time is of the essence, particularly in this environment.

Please Note: These deadlines do not change IFA's process, as a pre-close and post-close package are still required.

A message from Idaho Housing and Finance Association (IHFA):

The current pandemic has created many issues for our industry. Each segment – borrowers, lenders, investors, and the secondary market – has been affected in its own unique way. At Idaho Housing and Finance Association (IHFA), we recognize the unique challenges presented to lenders. IHFA is doing everything it can to help minimize the burden to the extent that we are allowed.

In this time of uncertainty, IHFA has established new timelines for the delivery of closed loans. While these timeframes may appear tight, they are necessary to assist in the expeditious loan purchase by IHFA, to relieve pressure on lender warehouse lines, and to facilitate the quick delivery to the secondary market.

To that end, we have added the following COVID-19 guidelines that, when met, will prevent a delay in the purchase of your loan. The purchase process will be streamlined for a five-day turnaround from the receipt of a complete file. The file will be reviewed post-purchase and some conditions will be sent out. We ask that you complete these conditions within 5 days in order to ensure the quick securitization of the loan. The goal is to securitize the loans before the first payment is due.

- **The original note and the complete loan package as noted on the attached checklist must be delivered to IHFA within 10 days of closing.**

- **No late deliveries will be allowed.**
- **Loans with pre-purchase conditions must be cleared within three calendar days.**
- **IHFA will review minimal information for on-boarding purposes to limit and have few, if any, pre-purchase conditions. Conditions will be post-purchase and are due within five days of the review.**
- **Pre-purchase conditions not cleared within three days may result in the file being rejected.**
- **We do not purchase conventional loans in forbearance. At the lender's option, we can do so with additional fees of up to 7 percent of the loan balance as assessed by Fannie Mae or Freddie Mac. These fees will be the responsibility of the lender. (please include an attestation regarding the forbearance status when delivered to IHFA.)**
- **Interest Credits will not be allowed. An interest credit would create a situation that would not allow us to deliver the loan prior to the first payment due date.**

As per RESPA IHFA will net out one payment within 20 days of the next due date.

Any late deliveries that cause the loan to be in a forbearance status or to become delinquent before it can be securitized may be assessed LLPA additional fees or be subject to repurchase if the loan is unsellable to the secondary market.

We appreciate your partnership and we hope you understand that in these challenging times we have to be very conscientious and timely in the process of securitizing loans.

Please contact the [Homeownership Team](#) with questions.

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