



Job Aid

VHFA Processing, Closing & Delivery

This job aid should not be used for underwriting purposes. All VHFA programs are paired with 30-year fixed rate purchase mortgages and sold servicing-released to U.S. Bank. Lenders responsible for underwriting and compliance with the most restrictive requirements for U.S. Bank, VHFA and the underlying mortgage. See [VHFA Program and Procedural Guide](#) and [U.S. Bank HFA Lending Guide](#).

PROCESSING

Reserve at the VHFA LOC

Go to the VHFA Loan Origination Center (LOC) at <https://loc.vhfa.org/> and click 'Register a New Loan'. Required information is generally found in the Purchase and Sale Agreement and URLA. Non-borrowing spouse social security # and income is required to reserve. Supporting documents are NOT required to reserve.

Submit the VHFA Compliance Checklist

To access the VHFA Compliance Checklist, go to *VHFA LOC > Main Menu > View Loan Detail*. When the Loan Status shows RESERVED, click 'Print Documents' and print available forms. Forms will auto-populate with information from reservation. To submit the VHFA Compliance Checklist, click 'Document Images' on the Loan Detail screen. VHFA's review is for VHFA program compliance only. VHFA will review and respond in the order received. **PLEASE NOTE:** Incomplete and outdated forms will create Unsatisfied Conditions.

Calculate VHFA (Fed Act) Income

VHFA compliance (Fed Act) income is calculated differently than DU/LPA qualifying income. The combined gross annual income for **all borrowers and non-borrowing spouses** cannot exceed the VHFA income limit in effect at time of loan reservation. Current VHFA income limits are listed at www.vhfa.org. To calculate, use **VHFA Federal Act Income & Acquisition Cost Worksheet (VHFA Form #S-601)** available at *VHFA LOC > Main Menu > Guides, Forms, and Resources*. Submit supporting documents to VHFA to verify all sources of income. Lenders must report any changes prior to closing including any known increases in income expected within sixty (60) days after closing.

Help Borrowers Complete Homebuyer Education ASAP

All VHFA programs require at least one borrower to complete homebuyer education. Landlord education is required for 2-unit purchasers. Confirm program requirements before advising clients. VHFA does not provide education, borrower must sign p for education. Point borrowers to www.vhfa.org to help them sign up as early in the process as possible.

Look for Pre-Closing Condition Notifications

- VHFA sends pre-closing status updates to the designated pre-closing recipient for your organization.
- Lenders can access unsatisfied condition report at *LOC > Main Menu > Reports > Unsatisfied Conditions Report*.
- Unsatisfied conditions for individual loans are found at *LOC > Main Reports > Loan Detail*.
- To satisfy conditions, upload to documents to *LOC > Main Menu > Loan Detail > Document Images*.

CLOSING

Closing Checklists

VHFA Conditional Commitment	VHFA ASSIST Conditional Commitment*	U.S. Bank HFA Closed Loan Delivery Checklist
Download the VHFA Conditional Commitment & other forms from VHFA LOC > Main Menu > Loan Detail > Print Documents	Download ASSIST Conditional Commitment & other forms from VHFA LOC > Main Menu > ASSIST Loan Detail > Print Documents	Download the checklist from the U.S. Bank HFA Lending Guide

* If using the ASSIST second lien, lenders must submit the VHFA ASSIST Conditional Commitment in addition to the VHFA Conditional Commitment for the purchase mortgage. Assist loans have their own VHFA Loan number. To access the ASSIST Loan Detail, go to *VHFA LOC > Main Menu > Loan Detail > Retrieve Loan* and enter the ASSIST loan number OR from the first purchase mortgage Loan Detail scroll down to 'Other Mortgages' and click the hyperlink.

Closing Agent Instructions

For all VHFA loans, lenders must provide closing agents with the VHFA Closing Agent Instruction for VHFA Loans (Form #S-2015C) available for download at [VHFA LOC > Main Menu > Forms, Guides and Resources](#). See the VHFA CONDITIONAL COMMITMENT for details.

Lender Fees at Closing

See the [VHFA LOC > Main Menu > View Program Rates and Pricing](#) for U.S. Bank required fees. Lenders may collect fees to cover the cost of third-party expenses that are usual and customary. Lenders may NOT collect any special origination fees or other closing costs for VHFA first purchase mortgage that a non-VHFA borrower would not be assessed. **For ASSIST:** Lenders may not assess any origination or closing costs for the ASSIST loan, including recording fees for the ASSIST security instruments. **For MOVE MCC:** Lenders may collect and retain up to \$500.00 for an MCC processing fee, and only those reasonable fees for processing the financing as they would charge a potential borrower applying for financing that was not combined with an MCC.

Eligible ASSIST Uses

ASSIST is limited to down payment and usual and customary closing costs associated with the underlying purchase mortgage. Contributions received for down payment and/or closing costs (subordinate financing, seller contribution, grants, etc.) must be applied before ASSIST. ASSIST funds exceeding the total down payment and/or eligible closing costs, may NOT be disbursed to the borrowers or applied as a principal reduction, per diem interest, or financed upfront mortgage insurance or fees included in the loan amount.

Manufactured Homes

U.S. Bank requires specific closing documents and certain recorded documents for purchase. Warranty Deed and Exhibit A must include a detailed description of the manufactured housing unit. See [U.S. Bank HFA Lending Guide](#).

DELIVERY

Deliver to VHFA and U.S. Bank Simultaneously & Immediately After Closing

VHFA Conditional Commitment	Upload Commitment and required documents to LOC > Main Menu > Loan Detail > Document Images .
VHFA <u>ASSIST</u> Conditional Commitment	Upload Commitment and required documents to LOC > Main Menu > ASSIST Loan Detail > Document Images .
VHFA ASSIST Unrecorded Security Instruments	Deliver to VHFA according to VHFA Closing Agent Instructions for VHFA Loans (Form #S-2015C).
U.S. Bank Closed Loan Delivery Checklist	Upload checklist and supporting documents using U.S. Bank DocVelocity/Ellie Mae AIQ. See U.S. Bank HFA Lending Guide .

Post-Closing Conditions

- VHFA sends pre-closing status updates to the designated pre-closing recipient for your organization.
- Lenders can access unsatisfied condition report at [LOC > Main Menu > Reports > Unsatisfied Conditions Report](#).
- Unsatisfied conditions for individual loans are found at [LOC > Main Reports > Loan Detail](#).
- To satisfy first purchase mortgage conditions, upload to [LOC > Main Menu > Loan Detail > 'Document Images'](#).
- To satisfy ASSIST second lien conditions, upload to [LOC > Main Menu > ASSIST Loan Detail > 'Document Images'](#).

U.S. Bank Purchase Approval

U.S. Bank approves purchase only after: (1) VHFA issues POST-CLOSING APPROVAL for the first purchase mortgage and ASSIST Mortgage, and (2) U.S. Bank approves all documents required by U.S. Bank Closed Loan Delivery Checklist. If necessary, lenders are responsible for servicing until U.S. Bank purchases first purchase mortgage. See [U.S. Bank HFA Lending Guide](#) for escrow requirements, funding adjustments, wiring, and post-funding.

VHFA Reimbursement for ASSIST VHFA reimburses lender after VHFA issues ASSIST Post-Closing Approval and U.S. Bank purchases the first mortgage. VHFA will not reimburse unless the underlying first mortgage is approved by U.S. Bank. VHFA reimburses for ELIGIBLE down payment and closing costs only.