

Section 1 - Certified Lender Eligibility Requirements

All financial institutions must meet the following requirements:

1. If the lender is a GSE seller/servicer it must provide lender number. It must also provide information per the TPO section of the GSE (Government Sponsored Entities) selling guide:
 - a. Resumes of principal officers and underwriting personnel
 - b. Lender's quality control procedures
 - c. Results of background check of principal officers
 - d. Lender's hiring procedures for checking employees, including management, in the origination of mortgage loans against GSA excluded parties list, HUD LPD List and FHFA SCP list.
2. If the lender is a bank or savings and loan association, FDIC must insure the bank or savings and loan association depository accounts.
3. The Financial institution must have a three-year history of continuous operation in the State of Missouri. Lender shall provide proof of date of incorporation in the State of Missouri, or License to Operate in the State of Missouri.
4. The Financial institution must have a minimum net worth of \$1,000,000. Lender shall provide most current audited Financial Statement.
5. The Financial institution must have a history of combined production of not less than one million dollars per year in FHA/HUD, VA, and Fannie Mae or USDA Rural Development loans. MHDC must be provided evidence of the sale into the Secondary Market of at least this volume of loans.
6. Any single GNMA or Fannie Mae securities-backed bond issue will identify lenders as follows: Originating Lenders - A financial institution which agrees to originate home mortgages and assigns such home mortgages and the servicing in connection therewith to a Master Servicer.
7. Lender must furnish and maintain evidence of \$500,000 in Error and Omissions coverage.
8. Lender must furnish and maintain evidence of Fidelity Bond coverage.
9. Lenders must be approved as an FHA mortgage originator if originating FHA loans, as a VA mortgage originator if originating VA loans, and as a USDA Rural Development originator if originating rural development loans.
10. Lenders must originate, process, underwrite, close and fund originated loans in their own name, and using their own funds.
11. Must originate mortgages as a primary component of the company's overall business operations.
12. Must originate and close at least ten MHDC First Place Loan Program loans per year.
13. Financial institutions that have previously participated in MHDC programs must have a satisfactory production and problem resolution record.
14. Must annually meet MHDC's financial requirements.
15. Lenders must also meet all of US Bank's requirements.
16. Must attend Lender Training.

Lenders must submit documentation supporting the above requirements. MHDC reserves the right to require current participating lenders to demonstrate that they satisfy these requirements.

MHDC, at its sole discretion, may waive one or more of the requirements in order to originate loans in some rural or Federally Targeted areas.

Annually, all lenders must submit current financial information for review to ensure continued compliance with these requirements.

Constant Funding

MHDC has constant funding for the Next Step Loan Program.

When a lender has been approved by MHDC to participate in the Next Step Loan Program, MHDC will forward the Lender Origination Agreement, which must be executed by the lender before they can participate in the program. This document includes, but is not limited to:

1. Three signature pages of the Acceptance of Agreement

These documents must be returned to MHDC before the lender will be provided access to Lender Online.

Third Party Originations

Certified Lenders may enter into correspondent arrangements with Third Party Originators, but the following restrictions apply:

1. There can be no increase in any fees. The allowed fees to the borrower must be split between the Certified Lender and the correspondent.
2. All loans close in the name of the Certified Lender. Loans cannot close in the name of the correspondent and then be sold to the Certified Lender.
3. The Certified Lender must make all reservations in the Lender Online system. The Certified Lender cannot provide a password and access to the Lender Online system to anyone other than their own employees.
4. The Certified Lender is responsible for ensuring that all underwriting is in compliance with Secondary Market standards and guidelines for FHA, VA, USDA Rural Development or GSE (Government Sponsored Entities) loans. In the event that the correspondent incorrectly underwrites a loan, and repurchase of the loan is necessary, it will be the Certified Lender, not the correspondent that will be required to buy the loan back.
5. Correspondents are not a Certified MHDC lender, and they may not advertise or represent themselves as such. Correspondents will not be listed on the MHDC website as Certified Lenders.

It will be the responsibility of the Certified Lender to perform any training needed by the correspondent's staff.

Allowing access to the Lender Online system, to the correspondent, or violating any of the above stated provisions, may subject the Certified Lender to possible termination of certified status; and immediate cancellation of all outstanding reservations.