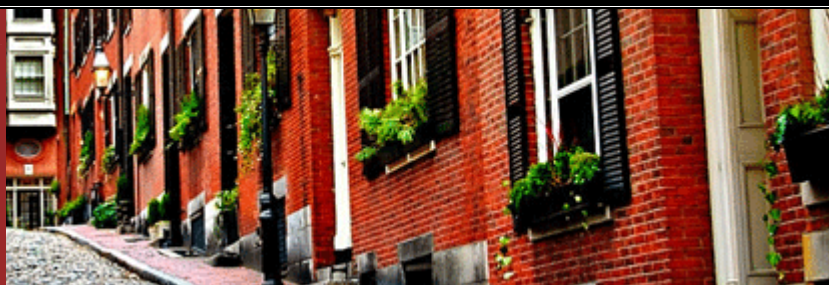


# Home Savings of America

Wholesale Lending

## BROKER BULLETIN



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### Summary

Due to investor requirements, the following changes apply as indicated.

#### 1. USDA

- Geographic Restrictions
- Funding Authorization status
- Lender Fees on Refinances

#### 2. Conventional Transferred-in appraisals

#### 3. VA Funding Fee Update

### Detailed Requirements

#### 1. USDA Loans (effective immediately)

- Geographic Restrictions

The Geographic restrictions have been updated as follows

West Virginia: the restriction to limit the LTV has been rescinded.

Properties in Mississippi are *not* eligible for USDA financing (*properties in New York or Hawai'i remain currently ineligible*)

- USDA Funding authorization status:

USDA funding authorization for purchases may expire on Friday, November 18, 2011; refinance authorization has already been allocated. HSOA will continue to underwrite and approve USDA loans, and will "Final Submit" them to the USDA for approval upon receipt of all pertinent prior-to-doc conditions. USDA will continue to approve USDA loans.

However, barring further congressional action, purchases approved after November 18, and all refinance transactions (including current submissions) will be "subject to the availability of commitment authority."

**HSOA will not close a loan that is subject to funding authorization.** Loans with a funding authorization contingency may close as soon as funding is authorized.

Reminder: Our investor requires the GUS input and findings to match the actual numbers. For example, final figures for income, P&I, taxes and hazard insurance are required before the loan will be submitted to the USDA.

- Lender charges on refinances

Effective immediately, lender fees must be typical and customary. HSOA is no longer limited to a 1% origination fee as the sole income on a USDA refinance.

The Lender may establish the charges and fees for the loan, provided they are the same as those charged other applicants for similar types of transactions. All closing costs may be financed with the exception of discount points. Originator compensation is limited to 4% of the loan amount.

**2. Conventional Transferred-in appraisals** - effective with application dates starting 12-1-11. This applies only to conventional loans.

a. Due to electronic appraisal delivery restrictions that apply to applications dated on and after December 1, 2011, transferred in appraisals will no longer be accepted.

### **3. VA Funding Fees**

a. In VA Circular 26-11-17, the VA has indicated that it is "highly likely" that legislation will be passed which keeps funding fees at their current levels. Additionally, the VA has indicated that the refund procedures described in this memo may not apply to loans closing on or after November 18, 2011.

Therefore, when providing the GFE, continue to disclose and close VA loans with the funding fee currently in effect.

### **Locks/Pipeline**

N/A

### **Questions**

If you have any questions, please contact your Community Banker.

Home Savings of America  
35 East Broadway Little Falls, MN 56345

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