

EFFICIENT FILE SUBMISSION BROKER - HOME EQUITY CONVERSION MORTGAGE



3131 Camino Del Rio N., Suite 1100
San Diego, CA 92108

Introduction

This job aid provides tips, tricks and commonly missed information when submitting a file. [Proper and complete data input and documentation](#) will help files move to Underwriting faster and be approved with less conditions.

This job aid is not all inclusive, please refer to our [Underwriting Guide](#) and [Lender Alerts](#) for additional information. For questions on file submission or assistance with guidelines, please reach out to your assigned Partner Support Associate or Account Executive.

FHA Connection/Case Assignments

- Case Assignment must have Mutual of Omaha as sponsor when file is submitted.
 - MOOM HUD Sponsor ID: 3121500003

LOS - Data Entry

All applicable fields must have completed with accurate data entry prior to submitting files.

- Borrower information: Names, Phone Number, Subject Property Address, SS #, ID Info, Alternate Contact, Purpose of the Loan, Condo ID if applicable, etc.
- All applicable dates: App dates, counseling dates, services, etc.
- Data Collection: Family size, Liabilities, FICO Scores, Square footage of subject property, income, Assets, Taxes, Insurance, HOA, etc.

Cover Letter and Letters of Explanation

Any additional information that may be helpful for the Partner Coordinator and Underwriter to be aware of when reviewing the file should be included via a Cover Letter. In addition, Letters of Explanation must be included for all credit inquiries in the last 90 days and all tradelines which fall outside of FHA's satisfactory credit guidelines. Examples of other situations that should be addressed in the cover letter and/or require a letter of explanation are below:

- Changes or gaps in employment or changes in employment fields.
- Subject property recently listed for sale or indicated vacate.
- Documentation references addresses other than subject property.
- Additional property's owned (other REO).

LOEs for LESAs

In all cases, when requesting a LESA to be waived, an LOE (and usually supporting documentation) will be required. LOEs should:

- Be written by the borrower
- Tell their story
- Not include mortgage jargon
- Be date specific (dates should make sense with the late payments)



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Income and Family Size

Family Size

- LOS must indicate proper family size since this affects Residual Income. Look for family size discrepancies in the following locations:
 - Alternate Contact or Nearest Living Relative documents indicate they live in the subject property.
 - Dependents living in the home (i.e., children/grandchildren) with their dates of birth indicated but family size only includes the borrower(s).
 - Dependents being claimed on personal tax returns (form 1040).

Income Documents

- SSI Award Letter, or copy of most recent SSA-1099, or most recent Benefit Letter paired with one of the following.
 - Tax Return, or most recent bank statement evidencing receipt of income from SSA
 - When Cost of Living Adjustment (COLA) is needed to qualify include COLA Notice and one of the above.
- Current Pension Benefit Letter (If not a federal or state pension, include proof of 3-year continuance)
- Self-Employment - Include most recent 2 years personal tax returns (Form 1040) and business tax returns (Form 1065, 1120 or 1120S).
 - (If most current year is not filed, proof of extension including a P&L through current quarter). Only include tax returns if needed.
- Employment (W-2) income - Paystubs covering the most recent 30-days and most recent 2 years W2.



Credit Reports

An unexpired tri-merged credit report run for all borrowers reflecting correct social security numbers and Dates of Birth is required. (If using Eligible Non-borrowing Spouse or Non-Borrowing Owner's income to reduce household size or as a compensating factor, an unexpired tri-merged credit report will be required for them as well.)

- Any Fraud Alerts and Credit Freezes present MUST be addressed, and credit must be unfrozen prior to submitting the file. We require at a minimum 2 of the 3 repositories unfrozen and will condition for the 3rd, if needed.
- Letters of explanation for any of the following situations:
 - All inquiries that occurred in the past 90 days.
 - Derogatory accounts (i.e., lates, collections, charge-offs, judgements, Bankruptcies, etc.) and
 - Any address variations.
- **Best Practice:** *If you use the LOS to either order credit or re-issue credit, it auto populates the liabilities.*

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Other Real Estate Owned

- Complete the REO section of the 1009 (address, mortgage liens, property type, and disposition). This includes vacant land.
- Provide a current mortgage statement, 24-month property tax and insurance payment history, 24-month homeowner dues payment history (if applicable).
- A letter of explanation is required if any of the following situations exist:
 - Owned free and clear, and for how long
 - No homeowners' dues present

Counseling Certificates

All borrowers, non-borrowing spouses and vested owners must be counseled. POAs and Remainderman in a Life Estate also require Counseling. A fully executed counseling certificate must be provided when requesting an FHA Case Number.

Additional Tips on Counseling:

- CA Specific - A California Counseling Addendum - Required when California borrower(s) receive telephone counseling. This disclosure must be filled out completely including borrower contact numbers.
- If the borrower(s) meet all requirements to waive counseling (HECM to HECM), a fully executed acknowledgment of HECM counseling waiver form is required.
- Any vested owner on title at the time of application is required be counseled. Even if being removed prior to Closing.
- Refer to the Counseling Policy section of our [Underwriting Guide](#) for state specific counseling requirements.

Appraisals

Appraisals must be ordered from an AMC. Both a PDF and XML of the appraisal report is required to be uploaded in the LOS, if present at point of submission. Helpful tips for ordering and submitting appraisal reports:

- Must have first generation-colored appraisals in the loan submission.
- Appraisal must not be expired.
- Appraisers E&O insurance must be included and meet [appraisal guidelines](#).
- Appraisal invoice must be in the loan file.

Certificate of HECM Counseling		U.S. Department of Housing and Urban Development Office of Housing	Certificate Number: [REDACTED] OMB No. 2502-0624 (expires 01/31/2021)
<small>Provision of this information is required to obtain mortgage financing HUD may not collect this information, and you are not required to complete this form, unless the form has a currently valid OMB control number. Privacy Act Notice: The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in the form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated at Title 24 Code of Federal Regulations. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.</small>			
Homeowner(s) Name(s) [REDACTED]		Power of Attorney (if present) [REDACTED]	
Non-Borrower spouse (if applicable) [REDACTED]			
Property Address City/State/Zip [REDACTED]			
HECM for Purchase Only- Address of Property to be Purchased (if known at time of counseling) [REDACTED]			
<small>The U. S. Department of Housing and Urban Development (HUD) requires that homeowner(s) and if applicable, non-borrower spouse interested in pursuing a Home Equity Conversion Mortgage (HECM) receive information about the implications of and alternatives to a reverse mortgage. The HECM counselor must adhere to all of HUD's guidelines and protocol regarding information that must be provided to the potential HECM borrower and must tailor the session to address the unique financial circumstances of the household being counseled.</small>			
Counselor Certification: <small>In accordance with Section 205 of the National Housing Act and 24CFR 206.41, I have discussed in detail the following items with the above referenced homeowner(s) and other participants:</small>			
1. Options other than a HECM that are available to the homeowner(s), including other housing, social services, health and financial options.			
2. Other home equity conversion options that are or may become available to the homeowner(s), such as other reverse mortgages, HECM for Purchase, sale-leaseback financing, deferred payment loans, and property tax deferral.			
3. The financial implications of entering into a HECM.			
4. A disclosure that a HECM may have tax consequences, affect eligibility for assistance under Federal and State programs, and have an impact on the estate and heirs of the homeowner(s).			
5. Whether the homeowner has signed a contract or agreement with an estate planning service firm that requires, or purports to require, the mortgage to pay a fee on or after closing that may exceed amounts permitted by the Secretary or in Part 206 of the HUD regulations at 24 CFR.			
6. If such a contract has been signed, the extent to which services under the contract may not be needed or may be available at nominal or no cost from other sources, including the mortgage.			
7. The HECM will be due and payable when no remaining borrower and if applicable, non-borrower spouse lives in the mortgaged property, or when any other covenants of the mortgage have been violated. The non-borrower spouse has been advised of implications and consequences of requirements to adhere to all terms of the HECM loan if the surviving non-borrower spouse choosing to remain in the property encumbered by a HECM mortgage (Borrowers are those parties who have signed the Note and Mortgage or Deed of Trust).			
I hereby certify that the homeowner(s) as well as other participants required to be counseled listed above have received counseling according to the requirements of this certificate and the standards of HUD, as described in mortgage letters, handbooks, protocols, regulations, and status. In states that require face to face counseling or a waiver from the homeowner declining such the homeowner(s) signature below acknowledges said waiver provisions. This interview was held via Telephone and the amount of time required to cover the above items was as follows: 73 minutes. This certificate was not prepared before the counseling session occurred.			
WARNING: This warning applies to all certifications made in this document. Anyone who knowingly submits a false, fictitious, or fraudulent claim, or who makes materially false, fictitious, or fraudulent statements or representations in connection with a claim, or knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim, is subject to severe criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. (18 U.S.C. §§ 887, 1001 and 31 U.S.C. §1723)			
Counselor's Name (Printed): [REDACTED]	HUD-Approved Counseling Agency Name: [REDACTED]		
Counselor Name (Signature & Date): [REDACTED]	Address (City/State/Zip): [REDACTED]		
[REDACTED]	07-31-2023	Telephone No. [REDACTED]	Agency Housing Counseling System ID: [REDACTED]
Homeowner and/or Non-Borrower Spouse Certification: I/we hereby certify that I/we have discussed the financial implications of and alternatives to a HECM with the above Counselor, I/we understand the advantages and disadvantages of a HECM and each type of payment plan, as well as the costs of a HECM and when the HECM will become due and payable. If applicable, this also certifies that I/we have been advised of the implications for Non-borrower spouses. This information may further help me/us to make more informed decisions about whether I/we want to proceed with obtaining a HECM. I/we understand that I/we may be charged a counseling fee that may be paid upfront to the counseling agency or if I decide to proceed with a HECM loan, financed into the mortgage and payment under any of these methods will be reflected in the 800 series on the HUD-1 settlement statement in accordance with the Real Estate Settlement Procedure regulations at 24 CFR part 3500 (see 24 CFR 3500.8).			
HECM for Purchase Certification: I/we hereby certify that I/we have been informed the HECM for Purchase program requires a significant monetary investment which will be applied to satisfy the difference between the HECM principal limit and the sales price of the property, plus any HECM loan related fees that are not financed in the loan, minus the amount of earnest deposit. I/we further understand that these funds must come from cash on hand or cash from the sale or liquidation of my/our assets and that the lender will verify the source of the monetary investment.			
Homeowner Signature & Date: [REDACTED]	Homeowner Signature & Date: [REDACTED]		
Non-Borrower Spouse Signature and Date (if applicable): [REDACTED]	X		
POA/Guardian Signature & Date [REDACTED]			
<small>(All Homeowners shown on the deed must sign the mortgage and this Counseling certificate.) Upfront Fee for Counseling Session: \$199.00 Financial Fee for Counseling Session: Not Entered Fees not waived Date Counseling Completed: 07/31/2023 Certificate Expiration Date: 01/27/2024 (180 days from date HECM counseling completed)</small>			

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Condominiums

Condominium documents showing the project (or unit) is approved must be included in the file at submission for all types of condominiums (Full FHA Project and SUA approval). When using the SUA approval process, Compensating Factors and Extenuating Circumstances are not available. If condo isn't approved, reach out to your PSA/AE BEFORE submission for details on how to get the project/unit approved. At time of submission the following Items are required:

- Input the Project ID (as reflected on the condominium project approval) in the LOS property screen (if applicable).
- Include the following Condo documents:
 - Print out from HUD's site of the condominium approval.
 - Master Insurance Policy (with HO6 if applicable) referencing subject address, borrower name, loan number and mortgagee.
 - Flood Insurance – if applicable
 - Proof of Fidelity bond insurance (over 20 units)
 - Fully completed condo questionnaire. Reach out to your PSA for the most recent version.

Additional documentation may be required and conditioned based on review of the above items.

Disclosures

A fully executed disclosure package with all signatures and dates (where applicable) completed is required to be included in the initial submission package.

- Disclosures must have all questions answered or checked off accordingly.
- All Disclosures must be signed and dated by all applicable parties.
- CFPB disclosure for ARM products must be provided to the borrower with the borrower copy of the package.
- E-Signed Application Packages must:
 - Include the Certificate of Completion or its equivalent for the vendor.
 - Email address must belong to the borrower, not the LO, alternate contact, or others
 - If two borrowers are on the loan, each must have their own email address.



Title and Trust

- An unexpired Preliminary Title Policy along with title's E & O and wire instructions must be included at initial submission. Current vesting is required to be in at least one borrower(s) name.
- If current vesting reflects a trust, all pages of the trust agreement is required to be provided in the initial loan submission. Once the loan is reviewed by underwriting, Mutual of Omaha Reverse Mortgage will order the attorney trust review.
- All Borrower(s) must be current primary beneficiaries of the trust.