Virginia Housing

# Originating Lender's Loan Submission Cover Letter

To: Virginia Housing

Borrower: _____

From: _____
Originating Lender

Co-Borrower (if applicable): _____

1. **Lender certification re: Acquisition Costs Items:**

   Estimated value of personal property items transferring with the residence (new construction only): $ _____

   Estimated costs of completing any unfinished area in the residence: $ _____

2. **Lender certification re: Compliance with Internal Revenue Code** - Based on Lender's review of all loan documents, Lender is of the opinion that:

   a. ____ The borrower has certified that they will not use the principal residence primarily in trade or business.

   b. ____ The financed property is suitable for use as permanent residence and not for use primarily in a trade or business, or for recreational purposes, or as an investment property.

   c. ____ Lot size does not exceed 2 acres unless Lender's underwriter allows exception not to exceed 5.00 acres, and is not a source of income other than incidentally.

   d. ____ The borrower has certified that they intend to occupy the financed dwelling as a principal residence within 60 days.

   e. ____ The borrower has certified that they have had no present ownership interest in a principal residence at any time during the three-year period prior to the closing date (required unless purchasing in a Federal Targeted Area). This is evidenced by:
      - The fully executed Exhibit E.
      - The completed Uniform Residential Loan Application (URLA).
      - The credit report.

      * If unable to confirm from these documents, that the borrower(s) did not have the ownership interest described above, additional documentation may be required, such as federal income tax returns, rent verifications, or other reports acceptable to Virginia Housing.

   f. ____ The total acquisition cost has been properly calculated in the Seller Affidavit and Borrower Affidavit and does not exceed Virginia Housing's maximum sales price limit (or federal safe harbor limits as determined by Virginia Housing). The sales price and total loan amount(s) (including any Virginia Housing subordinate financing) does not exceed Virginia Housing sales price limits.

   All fields must be completed:

   Maximum Sales Price for the Area: $ _____

   Sales Price: $ _____

   Acquisition Cost: $ _____

   Total Virginia Housing Loan Amount(s): $ _____

   g. ____ Personal property has not been financed by the loan proceeds.

   h. ____ The borrower has certified that mortgage proceeds will not be used to acquire or replace an existing mortgage or debt for which the borrower is liable or which was incurred on behalf of the borrower (except for construction, bridge or similar temporary financing having a term of 24 months or less).

   i. ____ The **annual** household income as indicated below has been verified and does not exceed Virginia Housing's applicable maximum income limit:

Household Size: _____

Virginia Housing Maximum Annual Gross Income Limit: $ _____

| Borrower: | Co-Borrower: | Other Household Member(s): | **Total Household Income:** |
|---|---|---|---|
| Base: $_____ | Base: $_____ | Base: $_____ | $ **0.00** |
| Overtime: $_____ | Overtime: $_____ | Overtime: $_____ | |
| Bonus: $_____ | Bonus: $_____ | Bonus: $_____ | ***Income figures must be annual, not monthly*** |
| Other*: $_____ | Other*: $_____ | Other*: $_____ | |
| Total: $ **0.00** | Total: $ **0.00** | Total: $ **0.00** | |

*Explain Other: _____

**Household Income Comments:**

***Lender to provide details of household income calculations within loan file. Note: Qualifying income may differ from household income.***

j. ____ The Borrower and Seller Affidavits have been completed and executed without any deletion or modification. Based on review of the foregoing and all other loan documents, there is no reason to believe that any statement in the foregoing documents is untrue, incorrect or incomplete.

k. ____ The financed dwelling is ____ or is not ____ in a "targeted area." (If the residence is in a targeted area, Lender may delete 2.e above)

**3. Other Virginia Housing Requirements:**

a. ____ Borrower(s) are over the age of 18 or have been declared emancipated by court order or decree.

b. ____ Borrower(s) are U.S. Citizens, lawful permanent resident aliens or are authorized to work in the U.S. with a valid Social Security number (SSN) (or Individual Taxpayer Identification Number (ITIN) if acceptable by the GSE, insurer, or guarantor).

c. ____ Borrower(s) net worth does not exceed 50% of the sales price as stated in Virginia Housing regulations.

d. ____ Property is located in the State of Virginia, is a single family 1 unit residence, a townhouse or an approved condominium.

e. ____ If residence is a manufactured home, the residence is permanently affixed to land, and it must be meet insurer or guarantor and Virginia Housing guidelines.

**4.** We have complied with all the procedures set forth in Virginia Housing's Originating Guide and in our opinion, the enclosed application meets all of Virginia Housing's requirements set forth therein for compliance with the provisions of the Internal Revenue Code of 1986, as amended, and such provisions have been satisfied.

**5.** Certification re: Availability of Mortgage Loans

The undersigned hereby certifies as follows:

On the basis of our review of the information submitted to us by the borrower and on the basis of our knowledge of the present cost of mortgage loans in this area, it is our opinion that a long-term first mortgage loan is not otherwise available to the borrower from private lenders upon reasonably equivalent terms and conditions.

**6.** The Originating Lender must retain in its files, in accordance with the regulations of the GSE, insurer or guarantor, all documents required to be retained by such GSE, insurer or guarantor or by the Internal Revenue Code of 1986, for such prescribed period or for 3 years, whichever is longer.

**7.** Originating Lender certifies that any fees charged to Borrower by Origination Lender do not exceed the amount or type of fees customarily charged by the Originating Lender on its comparable non-Virginia Housing loans.

By: _____
Originating Lender Underwriter Name

_____ _____
Signature Date