



LOAN PROCEDURES

The Come Home 2 Edina second mortgage loans are originated with assistance from the mortgage company providing the first mortgage financing.

LOAN PACKAGE:

The following documentation must be submitted to the Edina Housing Foundation* (EHF) to determine eligibility for the program:

- ___ 1. Uniform Loan Application for the first mortgage loan
- ___ 2. Income Verification (Adults in Household)- pay stubs, 2 years most recent tax returns, statement from employer, etc.
- ___ 3. Asset Verifications (2 months) - bank statements, investment statements, etc.
- ___ 4. Purchase Agreement
- ___ 5. Property Appraisal
- ___ 6. Title Work
 - Edina Housing Foundation's:
- ___ 7. Income & Asset Worksheets
- ___ 8. Buyer's Occupancy Certificate
- ___ 9. Program Reservation Form
- ___ 10. EHF should be included as a 2nd lien holder on the insurance binder. The loss payable clause should be: East Edina Housing Foundation
4801 West 50th Street
Edina, MN 55424
- ___ 11. Wiring instructions

PROCESS:

The size of the EHF second mortgage (up to \$60,000, but not to exceed 25% of the purchase price) is determined by the borrower's household first spending at least 25% of their gross monthly income on housing (including 1st mortgage PITI, association dues, etc. - Do not include 2nd mortgage interest payments).

The first mortgage lender submits the loan package to the EHF for review by Ms. Aaker and one member of the EHF Board of Directors. If it is determined that the applicant qualifies for the Come Home 2 Edina second mortgage loan, the Program Reservation Form is signed and returned to the first mortgage lender verifying eligibility. An eligibility letter is also provided for the title company.

The Edina Housing Foundation will provide the closer a wire transfer from the EHF for the amount of the second mortgage, made payable to the title company responsible for the closing, as well as copies of the EHF's Second Mortgage and Note for execution at the closing.

Some details for the closer:

- After the closing, the title company shall return the original signed Second Mortgage Note and a copy of the signed Second Mortgage to the EHF, attention Stephanie Hawkinson.

- Upon recording of the Second Mortgage, the title company shall return the original document to the EHF, attention Stephanie Hawkinson.

COMMUNITY REINVESTMENT FUND (CRF) - Loan Servicer

The EHF Mortgage and Mortgage Note documents are sent to Community Reinvestment Fund who services the EHF loan portfolio. All payments, either principal or interest made on a loan are sent CRF who in turn submits the payments to the EHF. All loan pay-offs and satisfactions are administered by CRF. Staff support for the EHF provides subordinations only for the refinancing of a loan, as long as there is no cash-out.

*The Edina Housing Foundation (EHF) is a dba for the East Edina Housing Foundation (EEHF)

Contact information:

www.comehome2edina.com

Stephanie Hawkinson

City of Edina

4801 W. 50th Street

Edina, MN 55424

shawkinson@edinaMN.gov

Direct phone # 952-833-9578

Fax # 952-826-0389