



LOAN PROCEDURES

The Come Home 2 Edina second mortgage loans are facilitated 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 (1003) for the first mortgage loan and Underwriting Transmittal (1008)
 - 2. Income Verification (all Adults in Household)-
 - 2 pay stubs for all borrowers
 - 2 years most recent tax returns with all schedules
 - 2 years most recent W2s/1099s/Pension/SS Award letters.
 - 3. Asset Verifications (2 months) - bank statements, investment statements, etc.
 - 4. Purchase Agreement
 - 5. Property Appraisal
 - 6. Title Commitment
- **Edina Housing Foundation documents required: :**
- 7. Income & Asset Worksheet
 - 8. Buyer's Occupancy Certificate
 - 9. Program Reservation Form
 - 10. An insurance binder naming East Edina Housing Foundation as a 2nd lien holder.
The loss payable clause is:
 - East Edina Housing Foundation
 - 4801 West 50th Street
 - Edina, MN 55424
- In the case of a condominium, the Master Certificate of Insurance is required.
- 11. Wiring instructions and closer's contact information
 - 12. If applicable, First Generation Affidavit

PROCESS:

The maximum loan amount of the EHF second mortgage is \$60,000, not to exceed 25% of the purchase price. To qualify for the second mortgage, the PITI must be at least 25% of the gross monthly income of all adults in the household. (PITI must include 1st mortgage PITI, association dues, taxes, HO insurance). Do not include 2nd mortgage interest payments in the calculation.

The first mortgage lender submits the loan package to the EHF for review by Ms. Hawkinson and one member of the EHF Board of Directors. Upon completion of the review 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 approval/eligibility letter is also provided to the first mortgage lender. The approval of the EHF loan is conditioned upon the approval of the first mortgage.

The Edina Housing Foundation will wire the amount of the 2nd mortgage to the borrowers' Title Company responsible for the closing and email the EHF 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 the Community Reinvestment Fund who services the EHF loan portfolio. All payments, either principal or interest, are sent to CRF who in turn submits the payments to the EHF. All loan pay-offs and satisfactions are administered by CRF.

Post-closing, Edina Staff will review requests for subordinations only for the refinancing of a loan. All refinances must be rate/term refinances. No cash-out refinances will be considered.

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

Contact information:

www.comehome2edina.org

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