



**CBC Mortgage Agency's Chenoa Fund**

# **Closing Department Guide**

Includes:

Quick Reference Guide | Contacts | Requirements  
Closing Disclosures | Funding Obligation Letter  
Additional Resources

CBC Mortgage Agency  
NMLS : 1186381



# About CBC Mortgage Agency

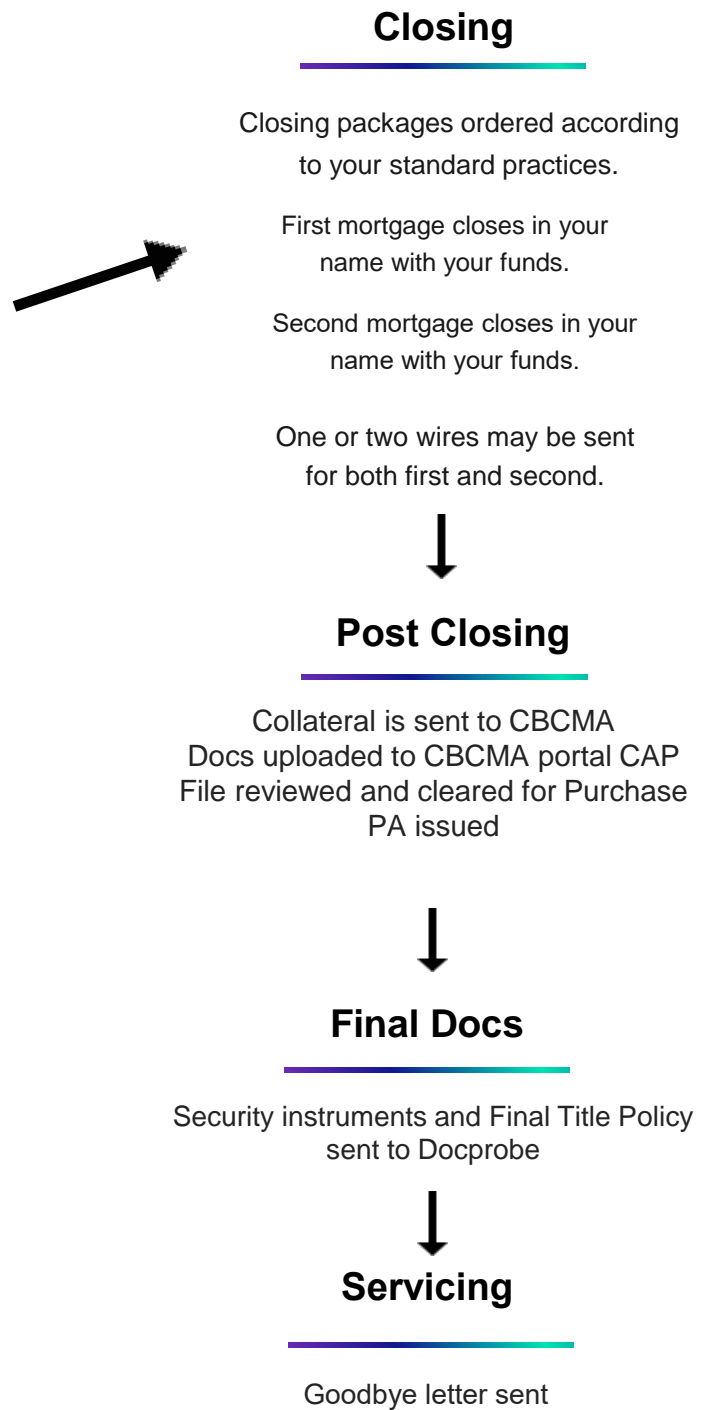
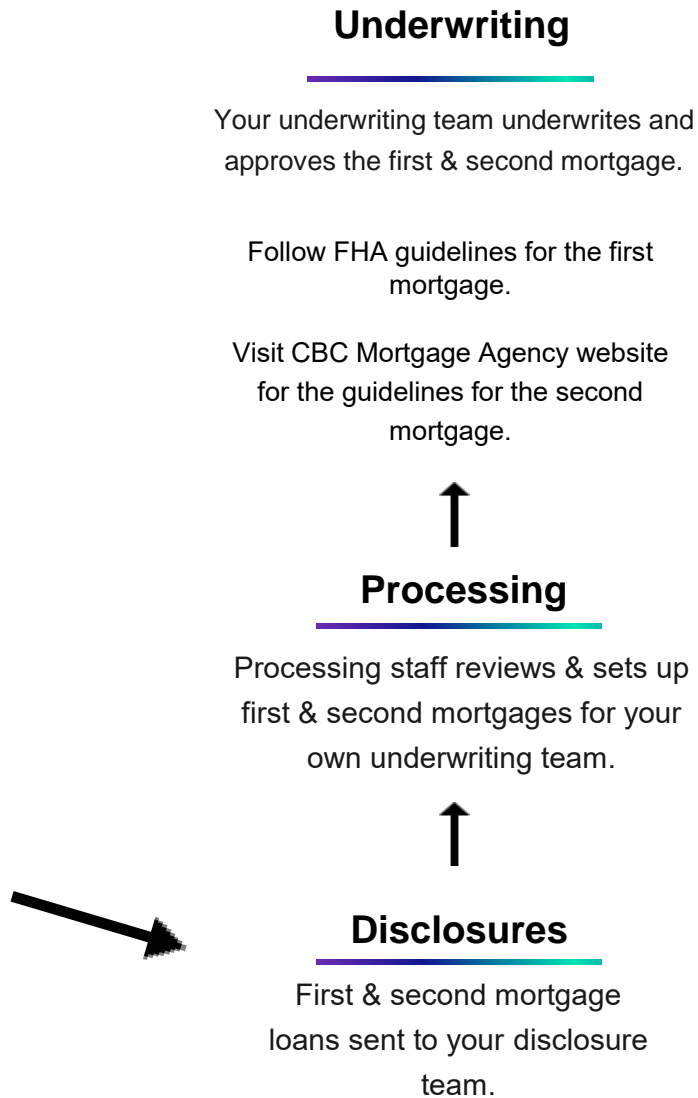
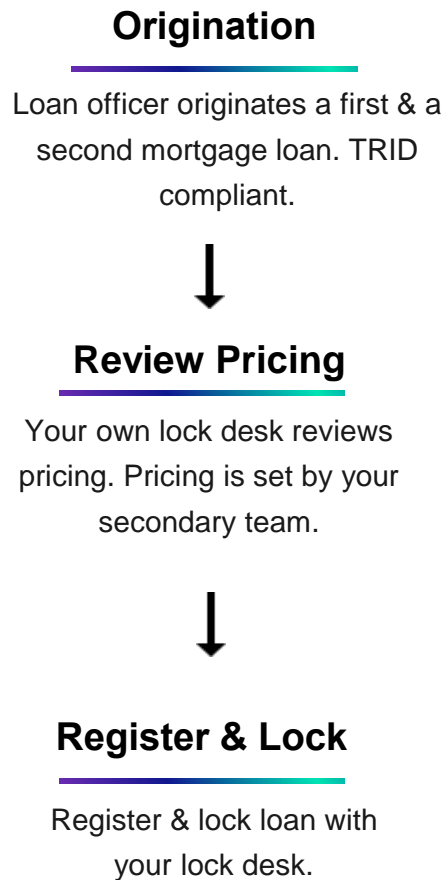
We are a Native-owned, federally chartered, government agency. We provide down payment assistance on a correspondent basis to our lender partners.

CBC Mortgage Agency was incorporated in 2013 by the Cedar Band Corporation (CBC). CBC is an enterprise wholly owned by the Cedar Band of Paiutes in Utah.



**Chenoa**  
**Fund** | CBC Mortgage  
Agency

# The Flow of a Loan



# The Program

One program, one set of guidelines, offered nationwide to help with the 3.5% or 5% down payment needed for FHA loans.

The down payment assistance may be repayable or forgivable and comes in the form of a second mortgage loan on top of the FHA loan.



# Term & Rate

## Repayable:

A 10-year term with a note rate matching the first mortgage note rate. This loan requires a monthly payment on the second mortgage.

## Forgivable:

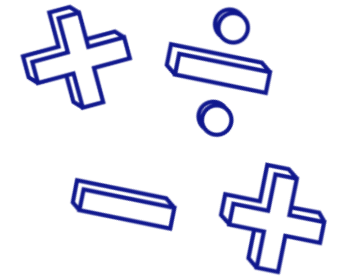
30 year term, interest rate at 0%. Forgiveness is after 36 consecutive, on-time payments on the first mortgage for both the 3.5% and 5%

## FHA First Mortgage Loan:

30-year term, fixed rate, full amortization. The FHA loan must be sold to CBC Mortgage Agency.



# Calculating the Down Payment Amount



Take the appraisal value or the purchase price, whichever is lower, and multiply that by the down payment percentage, either 3.5% or 5%.

## EXAMPLE:

Appraisal Value: \$285,000

Purchase Price: \$280,000

## THE MATH:

$\$280,000 \times 3.5\% =$   
 $\$9,800$

## SECOND MORTGAGE AMOUNT:

\$9,800



# Program Requirements

DPA amount	3.5% or 5%
Term and rate	<b>Repayable:</b> 10-year term, with an interest rate matching the first mortgage. <b>Forgivable:</b> 30 year term, interest rate at 0%. Forgiveness is after 36 consecutive, on-time payments on the first mortgage for both the 3.5% and 5%
Credit score	Minimum 600. All borrowers must have at least one score.
AMI limit	NO income limits at this time
DTI	DTI overlays are determined by the qualifying credit scores on the loan. All FHA: Credit score 600+: DTI per AUS approval. If the borrower does not receive Approve/Eligible, a manual underwrite may be allowed; see section 5.25 (Manual Underwriting) for more information. Manually underwritten loans are suspended as of October 16, 2023.
Payment shock	Loans with AUS Approval will not have payment shock calculations applied. Manually underwritten loans are suspended as of October 16, 2023.
First-time homebuyer	No overlay. (Per FHA guidelines.)

# Program Requirements

## Homebuyer Education

Based on credit score: 600-619: Required. Must be through Money Management International. (No extra cost to borrower) 620-639: Required. Must be through any HUD-approved education course. 640+: No overlay.

## First mortgage

30-year term, fixed rate, full amortization. Must be sold to CBC Mortgage Agency.

## Property types

SFR, PUD, townhome, condo, attached, detached, modular. Also Manufactured (with 2 additional overlays.)

## Units

1-2 units.

## High balance

Repayable: Allowed for 3.5% and 5% assistance. Forgivable: Allowed for 3.5% assistance.

## Non-occupant co-borrower

No overlay. (Per FHA guidelines.)

## LTV/CLTV

LTV: Must be 90%-96.5% CLTV: No overlay.



# Program Requirements

<b>Residency</b>	No overlays. (Per FHA guidelines. Up to correspondents to document lawful, legal residency.)
<b>Manual underwriting</b>	Suspended.
<b>Additional properties owned</b>	Allowed. LOE may be required.
<b>Borrower contribution</b>	\$0
<b>Other</b>	Not offered in the state of New York.
<b>Temporary Interest Rate Buydown</b>	1-1, 2-1 and 1-0 Buydowns are allowed. Manufactured housing ineligible.

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This information is provided by CBC Mortgage Agency and intended for real estate and mortgage professionals only. It is not intended for public use or distribution. None of the information provided is intended to be legal advice in any context. Terms and conditions of programs and guidelines are subject to change at any time without notice. This is not a commitment to lend. Equal housing opportunity.



## Things to know on Chenoa Fund Loans

Please request a copy of the Seller's CD with signature.

The LO is required to sign either the Initial or Final 1003. Electronic signature is allowed.

The 1003 must be completed with the present housing expense section filled out. No exceptions.

1008/LT - secondary financing Govt box should be checked. The source should read CBCMA 46-2780478 (not Chenoa).

92900a – page 1 & 2 is to be signed by the borrower, page 3 is to be signed by the UW, and page 4 needs to be signed by the lender.

Name affidavit must be included for all borrowers

Warranty deed

Mortgage/Deed of Trust must include Exhibit “A” for both liens

A copy of the Goodbye Letter is required on all first liens





## Required on all Chenoa Fund Loans

## Second Lien Disclosures

- **2<sup>nd</sup> CD**
- **2<sup>nd</sup> Note/Allonge**
- **2<sup>nd</sup> Security Instrument**
- **2<sup>nd</sup> Amortization**
- **Disclosure of Secondary Financing**
- **2<sup>nd</sup> First Payment letter (if applicable)**
- **Funding Obligation Letter**
- **Notice of Servicing Transfer – dated day of closing transferring to Midwest Loan Services**
- **Presidents Letter – signed by Miki Adams**
- **FACTS – CBCMA**
- **CBCMA Quality Control**



# 4506-C :

5d must be completed you can not include "DBA" or "ISAOA". Also make sure you are using a current form. The signature attestation box and E-sign box must be checked



Form <b>4506-C</b> (October 2022)			Department of the Treasury - Internal Revenue Service <b>IVES Request for Transcript of Tax Return</b>			OMB Number 1545-1872		
Do not sign this form unless all applicable lines have been completed. Request may be rejected if the form is incomplete or illegible. For more information about Form 4506-C, visit <a href="http://www.irs.gov">www.irs.gov</a> and search IVES.								
<b>1a. Current name</b>			<b>2a. Spouse's current name</b> (if joint return and transcripts are requested for both taxpayers)					
i. First name	ii. Middle initial	iii. Last name/BMF company name		i. Spouse's first name		ii. Middle initial	iii. Spouse's last name	
<b>1b. First taxpayer identification number</b> (see instructions)			<b>2b. Spouse's taxpayer identification number</b> (if joint return and transcripts are requested for both taxpayers)					
<b>1c. Previous name shown on the last return filed if different from line 1a</b>			<b>2c. Spouse's previous name shown on the last return filed if different from line 2a</b>					
i. First name	ii. Middle initial	iii. Last name		i. First name	ii. Middle initial	iii. Last name		
<b>3. Current address</b> (including apt., room, or suite no.), city, state, and ZIP code (see instructions)								
a. Street address (including apt., room, or suite no.)			b. City		c. State		d. ZIP code	
<b>4. Previous address shown on the last return filed if different from line 3</b> (see instructions)								
a. Street address (including apt., room, or suite no.)			b. City		c. State		d. ZIP code	
<b>5a. IVES participant name, ID number, SOR mailbox ID, and address</b>								
i. IVES participant name			ii. IVES participant ID number		iii. SOR mailbox ID			
iv. Street address (including apt., room, or suite no.)			v. City		vi. State		vii. ZIP code	
<b>5b. Customer file number</b> (if applicable) (see instructions)			<b>5c. Unique identifier</b> (if applicable) (see instructions)					
<b>5d. Client name, telephone number, and address</b> (this field cannot be blank or not applicable (NA))								
i. Client name						ii. Telephone number		
iii. Street address (including apt., room, or suite no.)			iv. City		v. State		vi. ZIP code	
<b>Caution:</b> This tax transcript is being sent to the third party entered on Line 5a and/or 5d. Ensure that lines 5 through 8 are completed before signing. (see instructions)								
<b>6. Transcript requested.</b> Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request for line 6 transcripts								
a. Return Transcript <input type="checkbox"/>			b. Account Transcript <input type="checkbox"/>			c. Record of Account <input type="checkbox"/>		
<b>7. Wage and Income transcript</b> (W-2, 1098-E, 1099-G, etc.) <input type="checkbox"/>								
a. Enter a max of three form numbers here; if no entry is made, all forms will be sent.								
b. Mark the checkbox for taxpayer(s) requesting the wage and income transcripts. If no box is checked, transcripts will be provided for all listed taxpayers								
Line 1a <input type="checkbox"/>			Line 2a <input type="checkbox"/>					
<b>8. Year or period requested.</b> Enter the ending date of the tax year or period using the mm dd yyyy format (see instructions)								
/ /			/ /			/ /		
<b>Caution:</b> Do not sign this form unless all applicable lines have been completed.								
<b>Signature of taxpayer(s).</b> I declare that I am either the taxpayer whose name is shown on line 1a or, if applicable, line 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, at least one spouse must sign; however, if both spouses' names and TINs are listed in lines 1a-1b and 2a-2b, both spouses must sign the request. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-C on behalf of the taxpayer. <b>Note:</b> This form must be received by IRS within 120 days of the signature date.								
<input type="checkbox"/> Signatory attests that he/she has read the above attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506-C. See instructions.								
Signature for Line 1a (see instructions)			Signature for Line 2a (see instructions)			Phone number of taxpayer on line 1a or 2a		
<input type="checkbox"/> Form 4506-C was signed by an Authorized Representative			<input type="checkbox"/> Signatory confirms document was electronically signed					
<b>Print/Type name</b>								
<b>Sign Here</b> Title (if line 1a above is a corporation, partnership, estate, or trust)								
Spouse's signature (required if listed on Line 2a)						Date		



# Funding Obligation Letter

Funding Obligation Letter is required in the closed loan package for all programs.

The letter states:

- Where the down payment is coming from.
- CBC Mortgage Agency's promise to reimburse your company for the secondary financing.
- When we purchase the first mortgage, CBC Mortgage Agency reimburses the funds you advanced for the borrower's down payment.

1/11/24, 12:19 PM

MRI F O L



CBC Mortgage Agency  
912 W. Baxter Drive, Suite 150  
South Jordan, UT 84095  
Tax ID # 46-2780478  
NMLS ID/License # 1186381

## Funding Obligation Letter

Lender:	CBC Test Account
Loan Application Number:	5024430
FHA Case Number:	523-1250520-703
Borrower(s):	Test John
Purchase Price of Property:	\$610,000
Property Address:	1742 Renaissance Way Springville, UT 84663
Form of Assistance:	10 year Match
Amount of Assistance:	\$21,350
Interest Rate (If Applicable):	7.250
Term (If Applicable):	120
Monthly Payment Amount (If Applicable):	\$250.65
Commitment Date:	Thu Jan 11 2024 04:47:03 GMT-0700 (Mountain Standard Time)

As of the commitment date, CBC Mortgage Agency ("CBCMA") has incurred a legally enforceable obligation to provide the funds towards the Borrower(s)' Minimum Required Investment ("MRI"). Lender should close the first mortgage in Lender's name and deliver funds for the MRI to the closing entity prior to or at the time of loan closing. Under this funding obligation letter, CBCMA is incurring a legal enforceable obligation to reimburse the Lender from funds legally belonging to the CBCMA, when acting in its governmental capacity, at or before closing. Reimbursement will occur at the time the first mortgage is purchased by CBCMA. Loans that do not meet CBC Mortgage Agency program guidelines are subject to cancellation. When this occurs, an officer of the correspondent lender company is required to sign CBC Mortgage Agency's DPA Release from Obligation to Reimburse form.

Sincerely,




A handwritten signature in black ink that reads "Miki Adams".

Miki Adams  
President  
CBC Mortgage Agency

## Secondary Financing on URLA (1st Mortgage)

In section 4 part b of the 1003, list the secondary financing.

Under “Creditor Name” put “CBCMA” or your company name (Never “Chenoa” or “Chenoa Fund”)

4b. Other New Mortgage Loans on the Property You are Buying or Refinancing <input type="checkbox"/> Does not apply				
Creditor Name	Lien Type	Monthly Payment	Loan Amount/ Amount to be Drawn	Credit Limit (if applicable)
	<input type="radio"/> First Lien <input checked="" type="radio"/> Subordinate Lien	\$ 	\$ 	\$
	<input type="radio"/> First Lien <input type="radio"/> Subordinate Lien	\$	\$	\$

# Secondary Financing on URLA (1st Mortgage) (Cont.)

If you are having difficulties in Encompass, do the following:

- Go to “Tools”
- Go to “Piggyback”
- Enter your two loans (first and second)
- Link and Sync
- Your second loan should be populated in section 4b

If this doesn't work:

- Unlink the two loans
- Make corrections
- Link again, but do not sync

Field	Value
Loan Program	
Closing Cost Program	
Loan Type	Conventional
Property Will Be	Primary
Lien Position Type	Subordinate
Lien Position	2
Purpose of Loan	Purchase
Appraised Value	165,000
Purchase Price	165,000.00
Down Payment	96.500 %
Loan Amount	5,775.00
Note Rate	5.000 %
Qual Rate	5.000 %
Term	360 mths
Due in	360 mths
Monthly Payment	31.00
LTV	3.500 %

## Reflecting Secondary Financing in Encompass (1st Mortgage)

Running an FHA loan—Fannie Mae Additional Data

Field	Value
Amortization Type	Other -
Owner of existing mortgage	Fannie Mae
Source of Down Payment	Secured Borrowed Funds
Explanation of Down Payment	CBCMA

- In “Fannie Mae Additional Data,” select Secured Borrowed Funds
- This is also available in the 92900-LT
- The explanation is always CBCMA, not Chenoa Fund

## Sample: First Mortgage CD

### Properly Identifying Down Payment Assistance Funds on the First CD

On the first mortgage CD, the down payment assistance funds from CBC Mortgage Agency must be identified as coming from CBC Mortgage Agency (**not Chenoa Fund**) and reflected as such in Section L, "Paid Already by Or on Behalf of Borrower at Closing," or under "Other Credits," using Lines 4 through 7.

Where the number of characters does not permit fully spelling out "CBC Mortgage Agency 2nd Lien" to identify the source of funds (second lien), the following abbreviations may also be used: (1) CBC Mortgage 2nd Lien, or (2) CBCMA 2nd Lien. Under no circumstances should the source of funds be identified as "Chenoa."

You are pulling docs from our portal Client.Chenoafund.org then you will marry our closing package for the second with your URLA, CD, LT, and closing instructions to send to the title company or attorney's office.

Example of DPA funds used in full, no fees deducted from 2<sup>nd</sup> CD. L04 shows Forgivable 2<sup>nd</sup> with full amount \$11,170 showing.

1.3	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$333,077.89</b>
01 Deposit	
02 Loan Amount	\$314,204.00
03 Existing Loan(s) Assumed or Taken Subject to	
04 Forgivable 2nd	\$11,170.00
05 Seller Credit	\$6,700.00
<b>Other Credits</b>	

Example of DPA funds when net funding. Fees were deducted on 2<sup>nd</sup> CD. Please place full amount in parentheses in description. Net fund amount in column.

1.3	
<b>L. Paid Already by or on Behalf of Borrower at Closing</b>	<b>\$177,013.06</b>
01 Deposit	\$1,000.00
02 Loan Amount	\$162,011.00
03 Existing Loan(s) Assumed or Taken Subject to	
04	
05 Seller Credit	\$1,000.00
<b>Other Credits</b>	
06 2nd Mtg - CBC Mortgage Agency (\$5775)	\$5,734.30
07	



# Sample: First Mortgage CD

## Properly Identifying Down Payment Assistance Funds on the First CD

On the first mortgage CD, the down payment assistance funds from CBC Mortgage Agency must be identified as coming from CBC Mortgage Agency (not Chenoa Fund) and reflected as such in Section L, "Paid Already by Or on Behalf of Borrower at Closing," or under "Other Credits," using Lines 4 through 7.

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Section L - Paid Already by or on Behalf of Borrower at Closing Subtotal 12,292.00

**Paid Already by or on Behalf of Borrower at Closing (line 4)**

Fee Description	Amount	POC	Paid By	Adjustment Type
04 CBC Mortgage Agency 2nd Lien	\$ 6,146.00			
CBC Mortgage Agency 2nd Lien	\$ 6,146.00	<input type="checkbox"/> POC		Proceeds Of Subordinate Liens
	\$	<input type="checkbox"/> POC		

**Other Credits (lines 6-7)**

Fee Description	Amount	Paid To	POC	Paid By	Adjustment Type
06 Mortgage Agency 2nd Lien (Principal Bal \$6,146)	\$ 6,146.00				Other
Mortgage Agency 2nd Lien (Principal Bal \$6,146)	\$ 6,146.00		<input type="checkbox"/> POC		
07	\$				

# Displaying 2nd Lien Loan Fees on the 2nd LE

No lender fees should be charged on the second. The only fees allowed to be charged on the second are:

- Prepaid interest
- Recording fees for the Deed of Trust
- Reasonable settlement fees
- A courier fee to return the signed documents to the lender

At no time will CBC Mortgage Agency purchase a loan that exceeds the QM 3% points and fees test.

<b>C. Services Borrower Did Shop For</b>		<b>\$160.00</b>		
01	Title - Settlement Or Closing Fee to Highland Title	\$160.00		
02				
03				
04				
05				
06				
07				
08				
<b>D. TOTAL LOAN COSTS (Borrower-Paid)</b>		<b>\$160.00</b>		
Loan Costs Subtotals (A + B + C)		\$160.00		
<b>Other Costs</b>				
<b>E. Taxes and Other Government Fees</b>		<b>\$40.00</b>		
01	Recording Fees Deed: Mortgage			
02	Recording Fee to County	\$40.00		
<b>F. Prepaids</b>		<b>\$1.50</b>		
01	Homeowner's Insurance Premium ( months)			
02	Mortgage Insurance Premium ( months)			
03	Prepaid Interest ( \$ per day from 11/06/17 to 12/1/17)	\$1.50		
04	Property Taxes ( months)			
05				
<b>G. Initial Escrow Payment at Closing</b>				
01	Homeowner's Insurance per month for mo.			
02	Mortgage Insurance per month for mo.			
03	Property Taxes per month for mo.			
04				
05				
06				
07				
08	Aggregate Adjustment			
<b>H. Other</b>				
01				
02				
03				
04				
05				
06				
07				
08				
<b>LTOTAL OTHER COSTS (Borrower-Paid)</b>		<b>\$41.50</b>		
Other Costs Subtotals (E + F + G + H)		\$41.50		
<b>J.TOTAL CLOSING COSTS (Borrower-Paid)</b>		<b>\$201.50</b>		
Closing Costs Subtotals (D + I)		\$201.50		
Lender Credits				

# Administrative Fee to show on the 1<sup>st</sup> LE Only

CBC Mortgage Agency charges a \$399 Admin fee. Any addition to the lender's fees to the borrower to offset this charge must never reflect as a charge payable to CBC Mortgage Agency and must always be listed in Section A, paid to the correspondent (for example, included in the Origination Charges or as a separate line-item charge)

## Disclosure of Secondary Financing Example:

Loan Number:

### DISCLOSURE OF SECONDARY FINANCING

I (We) acknowledge that I (We) have applied for TWO (2) loans in order to complete the purchase of a home. BOTH loans will be recorded against the title records of my (our) property. I (We) may be required to make regular monthly payments on BOTH loans. If monthly payments are required on the second mortgage, these payments may be made to a different lender than the payments made to the lender for the first mortgage.

The first mortgage will be issued by:

The second mortgage will be issued by: **CBC MORTGAGE AGENCY**

The amount of the second mortgage will be \$

The second mortgage interest rate will be %

The second mortgage may be forgiven at a future date.

When forgivable, the second mortgage will permanently lose its forgivable status if I (We) refinance the first mortgage and state law allows the second mortgage to subordinate without the consent of CBC Mortgage Agency, but only if this subordination occurs, for 3.5% assistance, during the initial thirty-six (36) payments on the first mortgage; and for 5% assistance, this applies if such a subordination occurs during the first one-hundred and twenty (120) payments on the first mortgage. In either case, if the loan's forgivable status is permanently lost then the loan will have a 0% interest rate and no monthly payment, but it will need to be repaid upon refinance, transfer of ownership, or the end of the 30-year term.

In addition to the subordination requirements, I (We) understand that for the first mortgage to be forgivable we must demonstrate on-time payment history according to the following schedule:

For 3.5% assistance- forgiveness of the second mortgage may occur after thirty-six (36) consecutive months of on-time payments of the first mortgage.

For 5% assistance – forgiveness of the second mortgage may occur after one hundred and twenty (120) consecutive payments of the first mortgage and where no payment has been made sixty (60) days or more after a payment is due.

The second mortgage is NOT forgivable. I (We) will be required to make regular monthly payments on the second mortgage estimated in the amount of \$0.00 for a total of LOANTERM years.

I (We) understand and agree to the terms and conditions as stated herein.

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

\_\_\_\_\_  
Borrower

\_\_\_\_\_  
Date

# Quality Control Release Example:

Loan Number:

## QUALITY CONTROL RELEASE

Date:

Lender:

Borrower Name(s):

Property Address:

I/We the undersigned applicant(s), understand that our mortgage application may be selected by the Lender and/or its Assigns or Agent for a Quality Control Review. This review is designed to produce and maintain quality service for our borrowers and to comply with agency and investor guidelines. The Quality Control Review will involve verification of all credit information (including employment history, income, bank accounts, and credit references) as well as the property valuation and occupancy.

I/We agree to cooperate with the Lender and/or its Agent to the extent necessary to accomplish this review. It is understood that the information may be verified with third parties such as our employers, depository institutions, credit reporting agency and/or any utility provider (telephone, electric, gas, water, etc).

I/We authorize the release of any and all information in regards to payment histories and servicing notes pertaining to this loan for the life of the loan regardless of who currently holds the loan for servicing.

Therefore, I/we have signed below authorizing the release of employment, financial, occupancy and loan history information to assist in the Quality Control review process for the duration of the loan.

\_\_\_\_\_ Date

\_\_\_\_\_ Date



## Addendum Regarding Seller or Lender Contributions Example:

### ADDENDUM REGARDING SELLER OR LENDER CONTRIBUTIONS

Re: [Property Address]

This addendum is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is incorporated into and shall be deemed to amend and supplement the Note between \_\_\_\_\_ (the "Borrower") and \_\_\_\_\_ (the "Lender") to finance the purchase of the property listed above (the "Property").

In addition to the covenants and agreements made in the Note and [insert name of security instrument], Borrower and Lender further covenant and agree that any credits or other payments provided to Borrower by the seller of the Property (the "Seller") or by Lender—including any credits provided for the interest rate chosen by Borrower—will be applied to offset costs that Borrower is required to pay at closing in the order listed:

1. Amounts that are considered "finance charges" under Regulation Z, 12 C.F.R. § 1026.4;
2. Other amounts that are considered "points and fees" under Regulation Z, 12 C.F.R. § 1026.32; and
3. Any other closing costs.

Any remaining credits or other payments will be applied to reduce the principal balance of the loan. Borrower is not legally bound to Lender for any amount paid with a credit or payment provided by Seller or Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this addendum.

\_\_\_\_\_ Borrower

\_\_\_\_\_ Borrower



# Presidents Letter

Loan Number:

Date:

Dear: **Borrower Name**

As the President of CBC Mortgage Agency, I want to thank you for the opportunity to serve you by assisting with the down payment on your new home. I would also like to provide you with some important details about the choices you have in the financing of your home. Our company is working with your lender **Name of Lender**, to provide you with down payment funds in conjunction with the first mortgage loan you are receiving. The down payment funds we provide are in the form of a second mortgage, which you may or may not be required to repay based on the specific down payment assistance program you qualify for.

**Our Mission – As a federally chartered, public purpose, government agency, we work to increase affordable and sustainable homeownership opportunities for credit worthy individuals who lack down payment funds.**

Given your home ownership and financial security goals, it is critical that you fully understand your mortgage terms. You have chosen to obtain home financing by using a mortgage professional. That was a good decision. Undoubtedly, during the mortgage application process, they have explained to you the various alternative types of mortgages and the features, advantages, and trade-offs of each.

In addition, you have received several documents which disclose the key terms of the first mortgage type you have selected. You will also be provided with the promissory note which obliges you to repay the money you are borrowing. That note describes in detail how your mortgage will work. I encourage you to read these documents carefully and to consult with your mortgage professional if you should have any questions.

The following are a few important points for you to consider as you go through the home buying process.

## DOWN PAYMENT AND INTEREST RATE – OPTIONS AND DECISIONS

The terms of your first mortgage can be impacted if you don't have your own down payment. It is possible that the interest rate on your first mortgage is higher than if you provided your own down payment. In addition, there can be a significant difference in the interest rate you are paying on your first mortgage depending on the down payment program you utilize. To determine which option makes the most sense for you, you should consider things like how long you think you will be in your new home. For example, if you qualify for a forgivable second mortgage, but you plan to be in your home more than 5-7 years, the additional interest you are charged on your first mortgage may exceed the amount of the forgivable second mortgage you are receiving. If this is the case, you may want to opt for a repayable second mortgage that gives you a better interest rate on your first mortgage, or you may want to bring in your personal savings for the down payment.

Ask your licensed mortgage loan professional what the interest rate on the first mortgage would be if you were to provide the down payment using your personal savings. You can then better choose between the down payment options as described below:

**Option 1 – Save for the down payment funds needed and receive no down payment assistance and the associated second mortgage.**

Advantages:

- Typically, a lower interest rate on the first mortgage.
- Potentially easier processing and underwriting.

Disadvantages:

- While saving up for the down payment, the home you're looking at now may be sold.
- While saving up for the down payment, home prices in general may go up, increasing the amount of time it will take to afford the home and begin to build future equity.
- Utilizing all your personal savings for the down payment can leave you with less savings in your bank account to cover unforeseen events such as a sudden job loss, medical emergency or home or auto repairs.

**Option 2 – Buy a home now and obtain your down payment through a down payment assistance program.**

Advantages:

- Potentially enjoy future increased household net worth by buying now if home prices increase over time.
- Purchase from currently available properties without risking that inventory will be sold months when you're finally ready to buy.
- If you qualify for the forgiveness program, the down payment assistance may be forgiven after 36 months of on-time payments of the first mortgage.

Disadvantages:

- The interest rate can be higher on the first mortgage resulting in a higher monthly mortgage payment.  
**Over time, the amount of additional interest you pay on the first mortgage could exceed the amount of the down payment assistance.**

## CLOSING PROCESS

If your loan is approved, you will later go to the closing to sign the documents to own the home. In addition, you will sign a set of second mortgage loan documents for the down payment assistance funds, and there will be a second mortgage loan attached to the title of your property that will not be subordinated and will only be released after the loan is paid off, or in the case of a forgivable second mortgage, after 36 months of consecutive on-time first mortgage payments have been made. **If the second mortgage needs to be paid off over time on a monthly basis you will have two payments, one for the first mortgage and one for the second mortgage.**

## POST CLOSING – OWNING YOUR OWN HOME

Now you have achieved the dream of homeownership, a fundamental goal of most Americans. We strongly believe in the merits of homeownership, since homeownership has been demonstrated to improve health, educational performance, stability of communities, household wealth creation, and more stable retirement years.

Since we are interested in not only helping you buy a home, but keeping it, if you face a situation that prevents you from making a mortgage payment on time, we encourage you to discuss this with your lender before the problem grows. We want to do our part in helping you succeed as well and to this end, we will stay in touch with you over the next year and a half. Look at us as your friend and advisor, here to help and guide you through our partnership

with Money Management International (MMI), a HUD approved, non-profit housing counseling agency. We work together with MMI to ensure you have all the tools and resources you need to be a successful, long-term homeowner. Over the next eighteen months, MMI and CBC Mortgage Agency will reach out to you via letter, email, and telephone to check in, offer assistance as needed, or to simply congratulate you on your continued success. The Borrower Success Program is offered free of charge, and we hope you will take advantage of this valuable service.

A final comment: It is likely that your first mortgage will be sold from time to time. This is normal. The terms of your loan will not change regardless of who owns or is servicing it. You will be notified in writing by both the company selling the mortgage, as well as the company buying the mortgage. Even though we may sell your first mortgage loan, we are still highly motivated in seeing you succeed as a new homeowner.

We wish you the greatest success in this highly rewarding endeavor, the dream of homeownership. We are here as your friends and advocates. Please don't hesitate to use us as a resource in the months and years ahead.

Sincerely,



Miki Adams  
President  
CBC Mortgage Agency

## **Borrower Acknowledgement**

*By signing below, you acknowledge that you have read and understand the above information and provide express consent for Money Management International, Inc. to contact you via phone including auto-dialed calls, email, SMS text including automated, or postal mail as part of CBCMA's Borrower Success Program outreach. These messages might include reminders, alerts, tips, and other Borrower Success Program related information. Standard messaging and data rates apply, check with your carrier. Frequency varies, but MMI will only use this outreach to ensure you receive assistance. For more information about MMI's privacy policy, [click here](#). To opt out of messaging or other questions, please contact [info@moneymanagement.org](mailto:info@moneymanagement.org).*

By signing below, I/We acknowledge that I/We have read and understand the above information.

\_\_\_\_\_  
Borrower Date

\_\_\_\_\_  
Borrower Date



**How to Draw Docs**



# How to Retrieve Your Password

- Confirm with your admin that you have been granted access as a user
- If your admin has granted you access, you will receive an email notification with a link
- Follow the email's on-screen instructions regarding setting up a new password
- When registering a Chenoa Fund loan, or obtaining any relevant closing documents, use the Chenoa Fund portal in addition to your usual process
- It is recommended to use Google Chrome when using CAP

Welcome to the Chenoa Fund.

Click the link below to choose your password

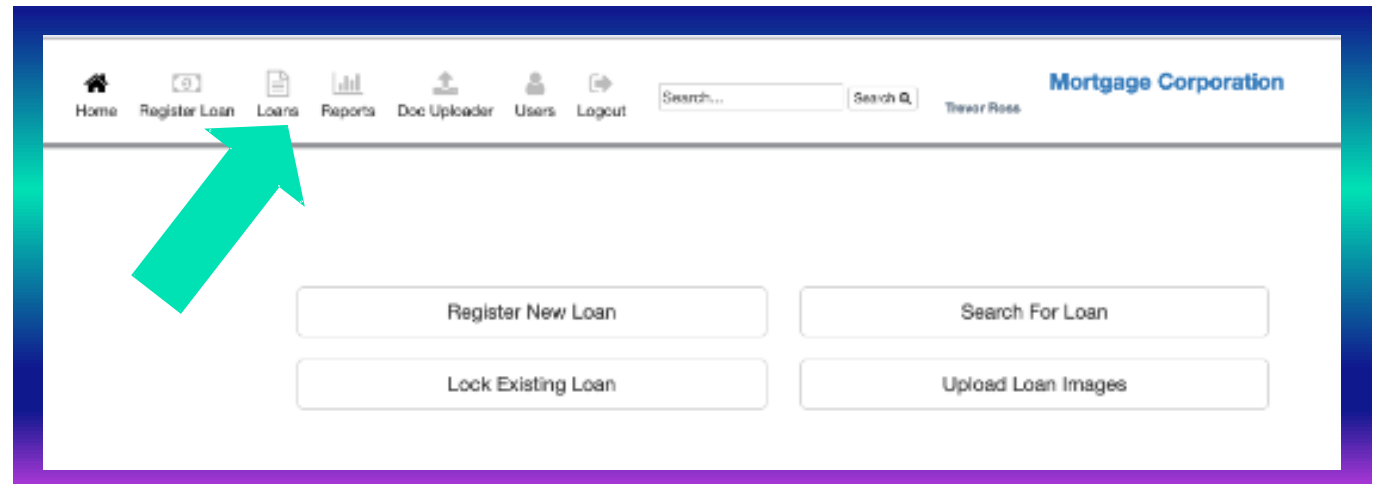
<http://client.chenoafund.org/>

## Reset Password

Choose a new password.

## Where to Begin Generating

- Select “Loans”

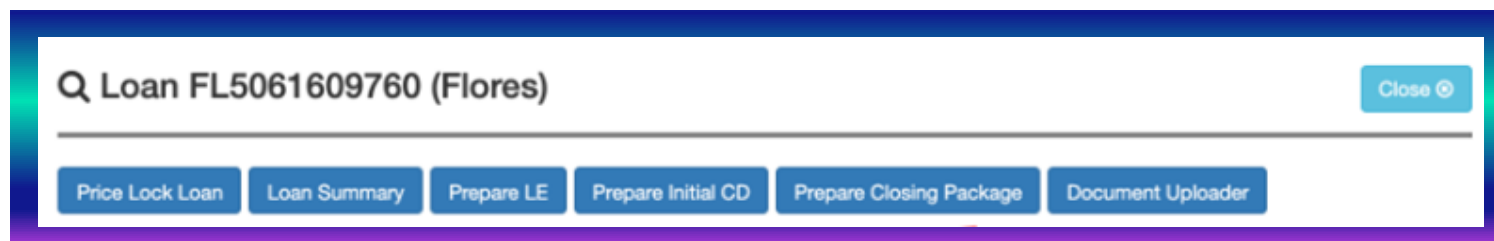
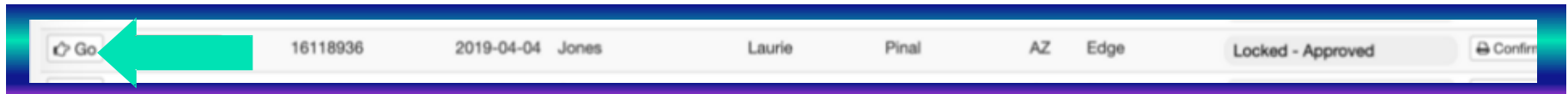


## To Generate Documents (1)

Use the “Go” button on the relevant loan file

Select the action you wish to perform

Example: “Prepare Closing Package”



# To Generate Documents (2)

- (0) Fill out all fields marked with (\*) if signing by power of attorney. Select Signed by other(POA) and enter the POA's name.
- (1) Select "save Changes" & create/request the desired document you're attempting to generate
  - Example : " Save Changes & Request CP"
- (2) The docs will the auto-generate
- (3) Click on doc to review

Signed by Other  
(POA)  
POA Signer

Yes

Stephanie Wheeler

Email For:

[Change Request](#)

1st CBCMA Loan #\*

5033570

Date DPA Approved:\*

2024-01-26T22:27:43.000Z

Closing Package Status:

[Pending](#) - For Support: [submissions@chenoafund.org](mailto:submissions@chenoafund.org) - Phone: 866.563.3507 EXT: 604 [Details](#)

Generate Closing Package

[Save Changes & request CP](#)

IDS Doc Upload

[Upload IDS CP](#)

Closing Package Status:

CP Document Request Being Reviewed...

Generate Closing Package

[Requesting Documents...](#)

IDS Doc Upload

[Upload IDS CP](#)

# Trouble Cells: ULI and Document Date

The screenshot shows a loan application form with two main sections: Transaction Information and Required Dates. Red arrows point to the ULI and Document Date fields.

Transaction Information							Top
Origination Channel*	LTV	CLTV	Manual Underwriting?*	MCC?*	DTI*	First Time Home Buyer?*	
Retail	96.500	100.000	<input type="checkbox"/> No	<input type="checkbox"/> No	28.589	Yes	
Is there a 3rd lien on this file?*	Seller Loan Number*	1st Univ. Ln ID*	2nd Univ. Ln ID*				
<input type="checkbox"/> No	2005	5493004T9SC	5493004T				














  

Required Dates						Top
Application Date*	Loan Estimate Date*	Estimated Closing Date*	Estimated Funding Date*	First Payment Date*	Document Date*	
2020-05-20	2020-05-20	2020-06-01	2020-07-01	2020-08-01	2020-05-20	

- The ULI (Universal Loan Identifier) can be found in your company's LOS system. For an example of where to find this in Encompass, see next slide.
- The Document Date is the date printed on the header of all 2nd mortgage documents we create. It should be within 3 days of application and LE date. Most lenders just put Doc Date, App Date, and LE Date as the same.

# Access the Documents

- Generated documents may be downloaded in the **Loans** tab
- Any recently generated documents will have their relevant button turn green for thirty minutes

Frederick	Christopher	Stearns	MN	Edge	Locked - Approve				
Harrington	Katherine	Clark	NV	Edge	Locked - Approved				
Dugat	Cynthia	Pinellas	FL	Edge	Locked - Approved				
Doe	John	Rapides	LA	Edge	Locked - Approved				

# Making Changes

- You can edit and generate packages without limits.
- Submit any document change requests online by filling out a form here:  
[clientsupport@chenoafund.org](mailto:clientsupport@chenoafund.org)
- Please ensure that any document changes do not violate TRID guidelines.
- Make sure you are working in a "locked-approved" status; if not, reach out to your lock desk to make corrections.

## Status

Locked - Pending Approval

Locked - Approved

Floated - Pending Approval

Floated - Approved

Floated - Pending Approval

# Contact List

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## **Exception & Scenario Desk Submissions**

Submit request to the scenario desk by  
emailing: [scenariodesk@chenoafund.org](mailto:scenariodesk@chenoafund.org)

## ADDRESS

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## PHONE

866.563.3507

## EMAIL

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## WEBSITE

chenoafund.org



NMLS: 1186381

For licensing information go to: [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)

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