

## TUCSON IDA - PIMA IDA

### TUCSON P2P PROGRAM

#### Step by Step Process related to DPA 2<sup>nd</sup> Mortgage Loans

August 23, 2016

**Step No. 1** – At least **3 Business Days** prior to the Closing, the Lender must upload to ADOH's portal - [housing.az.gov/portals/document-upload-portals/p2p-portal](http://housing.az.gov/portals/document-upload-portals/p2p-portal) the following items executed by the Homebuyer or the Lender as applicable:

1. 2<sup>nd</sup> Mortgage Funding Request executed by the Lender.
2. Declaration of Eligibility the Homebuyer.
3. Homebuyer Certification & Affidavit executed by the Homebuyer.
4. Household Composition Declaration executed by the Homebuyer.
5. Dodd – Frank Certificate executed by the Homebuyer.
6. Third Party Authorization executed by the Homebuyer.
7. Initial Truth – in- Lending Statement executed by the Homebuyer.

**Document Preparation Instructions:** The closing date in the eHousingPlus system must equal the signing date of the transaction. This ensures the closing documents are properly dated. The Initial Truth – in- Lending Statement relates only to the DPA 2<sup>nd</sup> Mortgage Loan and it may only reference Recording Fees related to the 2<sup>nd</sup> Position Deed of Trust.

**Step No. 2** – Along with the 1<sup>st</sup> Mortgage Package, the Lender sends to the Title Company the following items to be executed by the Homebuyer:

1. 2<sup>nd</sup> Deed of Trust – To be Signed and Notarized.
2. 2<sup>nd</sup> Promissory Note – To be Signed and Notarized.
3. Applicant Certification.
4. Disclosure Statement to Borrowers.
5. Final Truth –in – Lending Statement.
6. W-9 naming AHFPPC.

**Step No. 3** – ADOH sends its Escrow Closing Instructions to Title Company. Specifically, ADOH asks the Title Company to check following items for completeness prior to execution by the Homebuyer:

1. 2<sup>nd</sup> Deed of Trust.
2. 2<sup>nd</sup> Promissory Note.

**2<sup>nd</sup> Loan Document Preparation Instructions:**

- a. All Save Our Home AZ Program documents are date sensitive. The program documents must be signed (and notarized if required) with the same date. The documents must be executed in the month that the documents are dated (the “**Effective Date**”), but not prior to the Effective Date.
- b. The Final Truth – in- Lending Statement relates only to the DPA 2<sup>nd</sup> Mortgage Loan and it may only reference Recording Fees related to the 2<sup>nd</sup> Position Deed of Trust.
- c. In connection with the 2<sup>nd</sup> Promissory Note, please make sure that Maturity Date\* is filled in on both **page 1** and **page 2**.
- d. In connection with the 2<sup>nd</sup> Deed of Trust, please make sure page 1 has the following field completed:
  - i. Escrow Number,
  - ii. Maturity Date\*, and
  - iii. Trustee (please use Title Company’s information for name and address).

**\*Note: Maturity Date of 2<sup>nd</sup> Loan** is always the last day of the month **5 years** from the effective date of the 2<sup>nd</sup> Loan documents.

**Step No. 4** – No later than **4:00 pm 2 business day prior** to requested **closing date** the Title Company must upload to ADOH’s portal - [housing.az.gov/portals/document-upload-portals/p2p-portal](https://housing.az.gov/portals/document-upload-portals/p2p-portal) the following items executed by the Homebuyer (notarized as applicable):

1. First Mortgage Closing Disclosure (TRID).
2. Applicant Certification.
3. 2<sup>nd</sup> Promissory Note - Signed and Notarized.
4. 2<sup>nd</sup> Deed of Trust - Signed and Notarized.
5. Disclosure Statement to Borrowers.
6. W-9 naming AHFPPC.

7. Final Truth –in – Lending Statement.
8. Settlement Statement / Closing Statement (HUD-1).
9. ADOH Escrow Closing Instructions to Title Company – signed by the Title Company.
10. Closing Protection Letter or E&O Insurance from the Title Company.

**Step No. 5** - If ADOH discovers a document issue, then ADOH will ask the Lender or the Escrow Officer at the Title Company to correct the documentation, prior to the release of the wire for closing of the 2<sup>nd</sup> Mortgage.

**Step No. 6** – If ADOH is comfortable with the documentation, then ADOH notifies the Title Company that it has authority to close the transaction (anticipated to occur within **2 days** of Step No. 5).

**Step No. 7** - The Title Company mails to ADOH the following original items executed by the Homebuyer to:

**Arizona Home Foreclosure Prevention Funding Corporation**  
c/o Arizona Department of Housing  
1110 W. Washington Street, Suite 280  
Phoenix, AZ 85007

1. First Mortgage Closing Disclosure (TRID)\*.
2. Settlement Statement / Closing Statement (HUD-1)\*.
3. Applicant Certification.
4. 2<sup>nd</sup> Promissory Note - Signed and Notarized.
5. 2<sup>nd</sup> Deed of Trust - Signed and Notarized.
6. Disclosure Statement to Borrowers.
7. W-9 naming AHFPPC.
8. Final Truth –in – Lending Statement.
9. ADOH Escrow Closing Instructions to Title Company – signed by the Title Company.
10. Closing Protection Letter or E&O Insurance from the Title Company.

**Note: Items 1 and 2** above may be copies.

**Step No. 8** – The Lender must upload the 1<sup>st</sup> Mortgage Credit File to ADOH's portal - [housing.az.gov/portals/document-upload-portals/p2p-portal](http://housing.az.gov/portals/document-upload-portals/p2p-portal) .

If the Lender fails to upload the 1<sup>st</sup> Mortgage Credit File to ADOH's portal, then ADOH will advise BDFC and /or CIC to address the issue with the Lender.

**Note:** From **Step No. 7** in the process onward, ADOH will only communicate with BDFC and /or CIC related unacceptable documentation for a given file.

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**August 23, 2016.** Approved by (initial):  Marilyn Robinson  Michael Traylor