



INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

HONOR OUR VETS PROGRAM GUIDE 2018

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM GUIDE  
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**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
PREAMBLE**

In Indiana we truly *honor our vets* through a new mortgage program under Governor Eric Holcomb's Next Level Veterans initiative. The Honor Our Vets homebuyer program offered by the Indiana Housing and Community Development Authority (IHCDA) is specifically designed to keep and welcome qualified veterans to the state.

Honor Our Vets Program funds loans utilizing Veterans Administration (VA) financing. A VA home loan helps Service members, Veterans, and eligible surviving spouses become homeowners. The Honor Our Vets Program is the most affordable way to buy your first or next home. It takes the popular benefits of the VA loan and combines it with \$5,000\* in incentives that can be used towards relocation expenses, closing costs/pre-pays and the down payment.

This loan would also need to meet the applicable VA financing requirements and the requirements of the Master Servicer.

*\*The \$5,000 is reimbursable to participating Indiana employers.*

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
DEFINITIONS**

“Acquisition Cost” has the meaning set forth in Section 3 of this Program Guide.

“Commitment Expiration Date” means the date on which IHCDA’s commitment under the Program expires.

“DPA” means down payment assistance.

“First-Time Homebuyer” is someone who has not, at any time during the three (3) years preceding the date of the loan closing, had a present ownership interest in his or her principal residence.

“Ginnie Mae” means the Government National Mortgage Association (GNMA), investor in which the loans must be sellable to.

“HOV” means the Honor Our Vets Program described in this Program Guide.

“HOV/MCC” means the Honor Our Vets Program combined with MCC.

“IHCDA” means the Indiana Housing and Community Development Authority.

“IHSF” means the Indiana Housing Single Family online system used by IHCDA to manage the Program.

“Master Servicer” means US Bank, N.A.

“MCC” means Mortgage Credit Certificate.

“Mortgagor” means any person or persons meeting the qualifications of the Honor Our Vets Program and the Program Guide, and includes any Co-Mortgagors.

“Participating Lender” means a lender that has signed the IHCDA Universal Mortgage Origination and Sale Agreement Honor Our Vets program page or when using the HOV/MCC program, has signed the IHCDA Honor Our Vets and Mortgage Credit Certificate program pages.

“Program” means the Honor Our Vets Program, unless specifically indicated to the contrary in this Program Guide.

“Program Guide” means the IHCDA 2018 Honor Our Vets Program Guide which applies to the HOV and HOV/MCC Program.

“Purchase Agreement” means an agreement to purchase real property between, at a minimum, the seller of such property and the Mortgagor.

“Qualified Census Tract” has the meaning set forth in Section 1 of this Program Guide.

“Relock” means that the interest rate of a loan will need to be re-established at the higher of the current interest rate and the original interest rate.

“Targeted Area” has the meaning set forth in Section 1 of this Program Guide.

“VA financing” means financing provided through a Veterans Administration home loan program, conforming to all VA standards and requirements.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
EXECUTIVE SUMMARY**

This Executive Summary provides a summary of materials provided in this Program Guide.

**HONOR OUR VETS CAN BE COMBINED WITH THE MORTGAGE CREDIT CERTIFICATE PROGRAM (MCC). THE PARTICIPATING LENDER MUST FOLLOW MCC GUIDELINES IN THIS CASE THAT ARE CONTAINED IN THE MCC PROGRAM GUIDE, WITH THE FOLLOWING EXCEPTIONS.**

1. THE PARTICIPATING LENDER MUST SELL THE MCC LOAN TO THE MASTER SERVICER.
2. THE PARTICIPATING LENDER MUST USE THE CURRENT HONOR OUR VETS PROGRAM INTEREST RATE.
3. ALL LOANS MUST BE VETERANS ADMINISTRATION (VA) 30 YEAR FIXED RATE MORTGAGES.
4. THE PARTICIPATING LENDER MUST USE MCC INCOME AND ACQUISITION LIMITS.
5. THE PARTICIPATING LENDER MUST HAVE THE LOAN PURCHASED BY THE MASTER SERVICER AND RECEIVE FINAL APPROVAL FROM IHCDA WITHIN SIXTY (60) DAYS AFTER THE DATE OF RESERVATION.
6. THE PARTICIPATING LENDER MUST REFER TO SECTION 6 OF THE HONOR OUR VETS PROGRAM GUIDE FOR EXTENSION FEES.

**WHAT A PARTICIPATING LENDER SHOULD KNOW ABOUT A MORTGAGOR AND HIS OR HER HOME:**

1. Both IHCDA and the Participating Lender reserve their rights to request any additional documentation needed to make an accurate determination of eligibility on any given file.
2. The Participating Lender must be a mortgage banker. A mortgage broker is only permitted to be a Participating Lender if it can fully service a loan, open, fund and close a loan in its name or if it uses a Participating Lender to submit its loan to the Master Servicer.
3. Each Participating Lender must be an approved lender with IHCDA and have an approved VA underwriter on staff. The Participating Lender's VA underwriter will perform the underwriting/disclosure function to conform to Ginnie Mae guidelines.
4. IHCDA cannot email, fax or mail any document, including any mortgage documents provided by the Participating Lender containing the Mortgagor's Social Security Number.
5. Reservations for loans will only be taken between 9:00 am and 5:00 pm EST (Monday - Friday)
6. An interest rate sheet will appear in IHSF when a Participating Lender reserves a loan.
7. All reservations must be for VA thirty (30) year fixed rate mortgages.
8. All loans must be underwritten to and meet VA guidelines and IHCDA guidelines.

9. The Mortgagor does not have to be a first-time homebuyer **unless** using HOV/MCC.
10. IHCDA **recommends** that each Mortgagor that meets the definition of a first-time homebuyer complete homeownership training through Framework on the IHCDA website, which may be accessed at <http://www.in.gov/ihcda/homeownership/2362.htm>. **IHCDA will not reimburse the fee charged for this training.**
11. Household size will be determined by the number of Mortgagors along with all dependents listed on the Uniform Residential Loan Application (URLA Form 1003).
12. The Mortgagor must meet special income guidelines. Income limits vary by county and are dependent on family size.
13. Household income will be determined for Mortgagor(s) only based off qualifying gross annual income provided by the Participating Lender on the Uniform Residential Loan Application (URLA Form 1003) as outlined in Section 2 of this Program Guide.
14. Participating Lender must disclose all forms of qualifying income for Mortgagor(s) on the Uniform Residential Loan Application (URLA Form 1003) as outlined in Section 2 of this Program Guide.
15. The property may be a one (1) unit or two to four (2 - 4) unit dwelling.
16. The home must be used as the Mortgagor's principal residence.
17. If a Mortgagor is purchasing a property that it is renting or has rented previously, the Participating Lender must supply a current rental/lease agreement and a thirty-six (36) month chain of title with the IHCDA Closing Package. This specific documentation is required to document proof that no amount of the rent paid has been applied towards the lowering of the purchase price and/or has not been used towards the purchase of the property in any fashion as well as the mortgagor has not been on title and/or quit claimed on and/or off.
18. Mortgagor and Co-Mortgagor tax transcripts are not required **unless** using the HOV/MCC loan program.
19. The purchase price of the property cannot exceed the fair market value (appraised value).
20. The Mortgagor(s) must have a minimum FICO credit score that meets the requirement set forth by the Master Servicer. Verification of current FICO credit scores, for VA financing, must be verified with the Master Servicer.
21. A Mortgagor may contribute additional cash resources for down payment and closing costs.
22. The Participating Lender is to determine who qualifies as an eligible veteran, based on VA and all related GSE guidelines.
23. Each Honor Our Vets borrower will be eligible for up to but not to exceed \$5,000 which can be used for down payment (VA does allow 100% financing), closing costs and pre-pays, and/or relocation expenses.
24. IHCDA will offer \$5,000 where a home is either purchased or the employee decides to rent a residence.



25. The Honor Our Vets Program does not have to be coupled with a mortgage if the approved employer is only using the \$5,000 as a relocation package.
26. Each employer must be approved by the State of Indiana.
27. The State of Indiana will maintain a website where the participating employers must register. That website link is; <http://invets.org/ihcda/>
28. Irrespective of whether the benefit received by the Veteran is attributed to down payment assistance, closing costs and pre-pays, and/or relocation expenses, the initial expense will be incurred by the approved employer, IHCDA will in turn refund the approved employer, via ACH wire, once the Veteran is on the job and proof of such has been provided to IHCDA.
29. The reimbursement to each employer will need to be evidenced by an invoice from the employer with the name of the new employee, their respective position with the employer, employee's start date and the documentation from the third-party vendor detailing the expenses incurred to match the invoice submitted.
30. Invoices can be submitted via mail, email or fax and all invoices must have a general/basic description and breakdown of how the funds were used.
31. **This is a one-time per employee opportunity.** The employer is not required to draw the full \$5,000 down at one time nor does the entire \$5,000 have to be used.
32. The reservation fee for reserving a loan through the Program is a flat fee of \$100.00, **non-refundable**, only when a mortgage is involved.
33. VA **does not** allow for non-occupying co-mortgagors/co-signers unless the non-occupying co-mortgagors/co-signers is a qualified veteran.
34. Repair escrows are allowed (must follow guidelines issued by the Master Servicer).
35. Participating Lender must advise each Mortgagor of the importance of obtaining an independent home inspection for any home it plans to purchase.
36. A Mortgage Rider is not required on the loan **unless** using the HOV/MCC loan program.
37. The First Mortgage may not be closed prior to the Committed "Approved" date shown in IHSF. If there is a violation of the foregoing, the originating Participating Lender shall retain the First Mortgage. If the First Mortgage is not purchased by the Master Servicer or sub-servicer, for any reason, the originating Participating Lender shall retain the First Mortgage.
38. All loans must be sold to the Master Servicer or sub-servicer. After the loans are sold, the Participating Lender will be paid one percent (1%) of the first mortgage amount.
39. Final approval from IHCDA and purchase by the Master Servicer must occur by the Commitment Expiration Date (60 days from the date of reservation).

40. If there are any conflicts between the VA guidelines and the Program guidelines, please contact IHCDA. IHCDA will also address all questions regarding tax compliance. All other questions should be directed to the Master Servicer.
41. Any employee, agent, or associate of the Participating Lender caught forging or altering documentation or otherwise misrepresenting information will be suspended from the Program and the pertinent information will be turned over to the proper state and local authorities.
42. IHCDA strongly encourages Participating Lenders to print this program guide from <http://www.in.gov/ihcda/homeownership/2371.htm>

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
GEOGRAPHIC ELIGIBILITY  
SECTION 1 (APPLICABLE ONLY TO HOV/MCC)**

Certain geographic areas in Indiana have been designated as “Targeted Areas”. Areas in the State not designated as Targeted Areas are referred to as “Non-Targeted Areas”.

**A. TARGETED AREAS ARE EITHER:**

- 1) A Qualified Census Tract: seventy percent (70%) or more of the families have an income which is eighty percent (80%) or less of the statewide median family income.
- 2) An “Area of Chronic Economic Distress” as designated by the State and approved by the Secretary of the United States Department of Treasury and the Secretary of the United States Department of Housing and Urban Development.

Targeted Areas include the following counties in the State of Indiana:

Brown	Clinton	Crawford	Daviess	Dearborn	Decatur
Fayette	Franklin	Fulton	Greene	Jackson	Jasper
Jefferson	Knox	Lawrence	Miami	Ohio	Orange
Owen	Parke	Perry	Pike	Rush	Scott
Shelby	Spencer	Vermillion	Vigo	Washington	Wayne

*Targeted Areas also include the following census tracts within counties that themselves are not Targeted Areas. The property appraiser must note the qualifying census tract information on the appraisal for a property to be designated within a Targeted Area.*

**2015 IRS SECTION 42(d)(5)(B) QUALIFIED CENSUS TRACTS**

County	Census Tract				
Allen	0005.00	0006.00	0012.00	0013.00	0016.00
	0017.00	0021.00	0023.00	0028.00	0030.00
	0031.00	0043.00	0044.00		
Clark	0503.03	0504.03			
Delaware	0004.00	0005.00	0006.00	0009.02	0012.00
	0016.00	0020.00			
Elkhart	0026.00				
Floyd	0702.00	0708.01			
Grant	0002.00				
Henry	9765.00				
Howard	0002.00	0004.00	0012.00		
Jay	9630.00				
Lake	0102.01	0102.03	0102.05	0103.02	0105.00
	0110.00	0111.00	0113.00	0114.00	0116.00
	0119.00	0121.00	0122.00	0123.00	0205.00
	0206.00	0301.00	0302.00	0303.00	0310.00
	0412.00				
LaPorte	0413.00				

Madison	0005.00	0008.00	0009.00		
Marion	3103.05	3226.00	3308.03	3308.04	3308.05
	3401.08	3404.00	3407.00	3412.00	3416.00
	3417.00	3419.03	3423.00	3503.00	3505.00
	3508.00	3510.00	3519.00	3521.00	3523.00
	3524.00	3526.00	3527.00	3528.00	3535.00
	3547.00	3548.00	3549.00	3550.00	3551.00
	3557.00	3559.00	3564.00	3569.00	3572.00
	3573.00	3574.00	3581.00	3601.01	3603.02
	3604.01	3907.00			
Monroe	0002.01	0002.02	0006.01	0016.00	
Randolph	9516.00				
Shelby	7106.01				
St. Joseph	0004.00	0005.00	0006.00	0017.00	0019.00
	0020.00	0021.00	0024.00	0028.00	0029.00
	0030.00	0034.00			
Tippecanoe	0004.00	0054.00	0055.00	0105.00	
Vanderburgh	0011.00	0012.00	0013.00	0014.00	0019.00
	0020.00	0021.00	0025.00	0026.00	

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
MORTGAGOR ELIGIBILITY  
SECTION 2**

A Mortgagor applying for financing must meet the following eligibility requirements:

**A. MUST BE INCOME ELIGIBLE**

Mortgagors applying for financing through the Program must meet income limits for the Honor Our Vets Program which are based on the income limits of the county in which the residence to be purchased is located. The IHCDCA website contains the county-by-county income limits.

Income will be determined for Mortgagor(s) using qualifying Gross Annual Income provided on the Uniform Residential Loan Application (URLA Form 1003) and as described below. IHCDCA and/or the Participating Lender can request any additional information either needs to make this determination. NOTE: All sources of income shown below must be included on the URLA Form 1003.

Gross Annual Income includes gross wages and salaries from employment, including any part-time, seasonal, or sporadic income, shift differentials, overtime pay, commissions, fees, tips, and bonuses. Gross Annual Income also includes:

1. Child support, alimony and separate maintenance payments in which the mortgagor(s) is responsible of informing the Participating Lender if this income is received;
2. Periodic payments for trust, annuities, inheritances, insurance policies, pensions, retirement funds and lotteries;
3. All public assistance payments (excluding Medicaid and food stamps) including any amount by which educational grants, scholarships, and/or Veteran Administration educational benefits exceed expenses for tuition, fees, books, and equipment and reasonable rent and utility costs for a student living away from home;
4. Interest and dividends;
5. Payments in lieu of earnings, including social security, unemployment benefits, worker's compensation, severance pay, disability or death benefits;
6. Income from partnerships;
7. Rental income from property owned;
8. Recurring monetary contributions or gifts regularly received from a person not living in the residence; and
9. All regular pay, special pay, and allowances of a member of the Armed Forces except special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

**B. Aliens.**

U.S. citizenship is not required under current Ginnie Mae guidelines. However, the Participating Lender is required to determine the Mortgagor's residency status, in accordance with Ginnie Mae or the Master Servicer's guidelines, as applicable. IHCDCA and/or the Participating Lender may request any additional immigration documentation needed to verify or make a determination on residency status or household size.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
PROPERTY ELIGIBILITY  
SECTION 3**

**A. TYPES OF PROPERTIES ALLOWED**

Property standards are determined by the type of financing the Mortgagor is using.

The proceeds of the loans must be used to acquire the principal residence of the Mortgagor. The residence must meet the following requirements:

1. The property must be located in the State of Indiana.
2. The property must be:
  - A one (1) or two to four (2 - 4) family unit dwelling. If the dwelling contains two (2), three (3) or four (4) units, then (a) one unit is occupied by the mortgagor of the units, (b) the units were first occupied at least five (5) years before the MCC-linked mortgage (but not necessarily occupied on the date hereof), and (c) if the dwelling is located in a Targeted Area, clause (b) above shall not apply if the family income of the Mortgagor meets the applicable income requirements; or
  - A condominium (for loans having LTVs less than or equal to 95%); or
  - A townhome following the specific product guide; or
  - A planned unit development.
3. The amount paid to the seller for consideration for the property cannot be higher than it would be had the sale occurred without the benefit of the Program.
4. Manufactured Homes are **not** permitted

**B. ACQUISITION COST (APPLICABLE ONLY TO HOV/MCC)**

1. The "Acquisition Cost" of the residence must not exceed the applicable Program acquisition cost limits. The IHCDA website contains acquisition cost limits. The term "Acquisition Cost" means the cost of acquiring a residence from the seller(s) as a completed residential unit. The Acquisition Cost includes:
  - A. All amounts paid, either in cash or in kind, by the Mortgagor (or a related party for the benefit of the Mortgagor) to the seller(s) (or a related party of the seller(s) as consideration for the residence;
  - B. If the residence is incomplete, the reasonable cost of completing the residence whether or not financed through the Program; for example, if the residence is in need of repair and the repairs are necessary to make the residence habitable, to meet local building codes, or to meet Program requirements, the reasonable cost of making the repairs whether or not financed through the Program;
  - C. Settlement and financing costs in excess of amounts which are usual and reasonable (e.g. points paid by the Mortgagor for the purpose of "buying down" the interest rate);
  - D. Property taxes, if not prorated between ownership by Mortgagor and seller (e.g., Mortgagor pays

next installment due); and

- E. The cost of the land, **or** if a gift the appraised value, is to be added to the Acquisition Cost if the Mortgagor has owned the land for less than two (2) years prior to construction of residence.
2. Acquisition cost does **not** include:
- A. Usual and reasonable settlement and financing costs including:
    - (a) Title and transfer costs;
    - (b) Title insurance;
    - (c) Survey fees and other similar costs;
    - (d) Credit reference fees;
    - (e) Legal fees;
    - (f) Appraisal expenses;
    - (g) Usual and reasonable financing points;
    - (h) Structural and systems or pest inspections; and
    - (i) Other related costs of financing the residence.
  - B. Land owned by the Mortgagor for more than two (2) years prior to construction.
  - C. The imputed value of “sweat equity” performed by the Mortgagor or members of the Mortgagor’s immediate family.
3. No more than ten percent (10%) of the total area of the residence can reasonably be used as:
- a. The principal place of business for, or connected with, any trade or business on an exclusive or regular basis;
  - b. A place where inventory is held for use in the trade or business of the selling of products at wholesale or retail, unless the residence is the sole fixed location of such trade or business; or
  - c. A place used on a regular basis in a trade or business.
4. A residence used as an investment property, rental property, or a recreational home would not qualify as a principal residence.
5. All appraisals must be conducted by a licensed appraiser in accordance with VA requirements per GNMA and the Master Servicer.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
MORTGAGE FINANCING ELIGIBILITY  
SECTION 4**

**A. MORTGAGE FINANCING ELIGIBILITY**

The proceeds of the loans secured under the Program must be used to acquire the principal residence of the Mortgagor. The mortgage financing must meet the following requirements:

1. The loans cannot finance the following:
  - A. Acquisition of personal property;
  - B. Land not appurtenant to the residence;
  - C. Land appurtenant to the residence but not necessary to maintain the basic livability of the residence (or) which provides, other than incidentally a source of income to the Mortgagor;  
or
  - D. Settlement and financing costs that are in excess of that considered usual and reasonable.
2. IHCD A funds cannot refinance an existing loan or replace existing financing on the property.
  - A. Land sale contracts and leases with the option to purchase will be considered existing financing, regardless of whether or not they have been recorded.
6. No assumptions will be allowed on any IHCD A loans.
7. None of the interest of an MCC loan can be paid to a member of the Mortgagor's immediate family.

**B. NOTES REGARDING MORTGAGE FINANCING**

1. The Participating Lender should remember to ensure that the Mortgagor qualifies for the Program before beginning the financing process.



**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
INTEREST RATE CHANGES  
SECTION 5**

**A. INTEREST RATE CHANGE PROCEDURES**

The interest rate may change throughout the day, based on fluctuations in the market interest rate.

**B. NOTIFICATION OF RATE**

A rate sheet will appear in IHSF when the Participating Lender accesses IHSF to reserve a loan.

It is the Participating Lender's responsibility to check IHSF to determine the current interest rate prior to applying for a loan on behalf of a Mortgagor.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
FEE SCHEDULE  
SECTION 6**

**A. FEES**

**IHCDA RESERVATION FEE:**

Flat fee of \$100.00 due only when a mortgage is involved. The reservation fee must be received prior to IHCDA reviewing the loan for approval.

The Participating Lender may ACH wire the reservation fee to IHCDA. IHCDA will forward the ACH wire information to the Participating Lender once a signed Mortgage Origination and Sale Agreement (MOSA) is received and approved by IHCDA. The Participating Lender may submit up to thirteen (13) reservation fees per ACH wire. The Participating Lender must have a reservation number from IHSF before submitting fees.

If a Participating Lender is unable to submit the reservation fee by ACH wire they may submit Mortgagor's certified funds or Participating Lender's check payable to IHCDA. A separate check must be made out for each reservation fee. IHCDA does not accept cash or coins.

Any reservation fee overages will be refunded after the loan is purchased by the Master Servicer.

**EXTENSION FEE:**

Extensions may be granted. Contact IHCDA for extension requests at [ExtensionRequests@ihcda.in.gov](mailto:ExtensionRequests@ihcda.in.gov). Extensions requested prior to or on the Commitment Expiration Date (60 days from the date of reservation) will be granted for an extension fee, which will be determined by IHCDA. If an extension is requested after the Commitment Expiration Date (60 days from the date of reservation) the Participating Lender may be required to Relock the interest rate on the loan. Therefore, Mortgagor would receive the higher rate of the current interest rate and the original interest rate.

**IHCDA TRAINING FEES:**

Off site at Participating Lender's location	No Charge
On site at IHCDA offices	No Charge
Program Guide (may be printed from website)	No Charge

**IHCDA RESERVATION FEE REFUNDS:**

Reservation fees are **non-refundable**.

Extension fees are **non-refundable**.

**PARTICIPATING LENDER COMPENSATION:**

The Participating Lender shall receive one percent (1%) of the mortgage amount which is payable upon sale of the loan to the Master Servicer.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
RESERVATION REQUEST PROCEDURES  
SECTION 7**

**A. PRELIMINARY ELIGIBILITY REVIEW**

Before making a reservation request, the Participating Lender is required to receive a fully executed Purchase Agreement. The Participating Lender should then determine if the home is located in a Targeted Area or a Non-Targeted Area and whether the Mortgagor meets the other eligibility requirements of the Program. Note: a Participating Lender cannot reserve a loan that it cannot close in its own name.

A reservation is important: the Mortgagor cannot execute IHCDA's documents without an IHCDA reservation number.

**B. RESERVATION REQUEST**

1. The Participating Lender must make reservation requests using IHSF online system. All reservations will be accepted on a first-come, first-served basis and are always subject to availability of funds. IHSF will confirm the reservation number immediately.
2. Once the Participating Lender submits a reservation the interest rate will be locked in.
3. The rates will be set each morning at 9:00 AM and shall remain in effect until 5:00 PM Eastern Standard Time (EST) that same day. There is no overnight protection.

**C. MODIFICATIONS**

A Participating Lender must request, in writing, any change to a Mortgagor's reservation, subject to the following conditions:

1. **Increases in Mortgage Amount.** Requests for increases in loan amounts will be subject to the availability of funds. Participating Lenders should include the purchase price and loan amount (original and revised) via email.
2. **Change of Address.** A Participating Lender must ensure that the property is eligible for financing before it places a reservation. Continuous requests for address changes can result in higher interest rates for Mortgagors. If the file has not been reviewed by an IHCDA underwriter, then the Participating Lender should send its request to any member of the IHCDA Homeownership Department. At that time, the Participating Lender can choose to keep the original locked rate and the commitment expiration date will remain the same or the Participating Lender may decide to cancel the reservation and create a new reservation at the current rate and obtain a new commitment expiration date. If the file has already been reviewed by an IHCDA underwriter, then the Participating Lender must contact the appropriate underwriter. The Participating Lender will still have the choice to either keep the original locked rate and the commitment expiration date or create a new reservation at the current rate and obtain a new commitment expiration date.
3. **Transfer of Reservation (Mortgagor).** IHCDA will not allow the transfer of a reservation from one Mortgagor to another Mortgagor.
4. **Transfer of Reservation (Participating Lender).** IHCDA will allow a transfer of a reservation from one Participating Lender to another. The original Participating Lender must submit an e-mail stating that the reservation and the reservation fees are to be

transferred to the new Participating Lender. The new Lender must be a Participating Lender with the Program and submit an e-mail stating that it will accept the transfer of the reservation. The original reservation will be canceled allowing the new Participating Lender to reserve the loan. The Mortgagor will receive the higher rate of the current interest rate and the original interest rate. The reservation fee will be transferred to the new reservation number, if applicable. The new Participating Lender must submit a new application package to IHCDA. The new Participating Lender cannot close the loan without receiving approval from IHCDA with the new Participating Lender's name specified on the documents.

#### **D. LOCKED INTEREST RATE**

Once the Participating Lender submits a reservation, the interest rate will be locked in. This interest rate cannot be changed unless there is a change in the Participating Lender or termination of the loan. In both cases, the Mortgagor will receive the higher of the current interest rate and the original interest rate.

#### **E. PARTICIPATING LENDER'S CANCELLATION OF A RESERVATION**

If the Participating Lender determines that it will not close a loan for which it has received a reservation number, the Participating Lender should notify the Homeownership Department as soon as possible.

#### **F. CANCELLATION OF LOAN IN ORDER TO TAKE ADVANTAGE OF ADJUSTMENTS IN INTEREST RATES**

If the Participating Lender cancels an existing reservation or allows it to expire in what appears to be an attempt to obtain a lower interest rate for the Mortgagor, the Participating Lender will be required to relock the interest rate on the loan. Therefore, Mortgagor will receive the higher rate of the current interest rate and the original interest rate.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
APPLICATION PACKAGE SUBMISSION  
SECTION 8**

Participating Lenders are encouraged to pre-qualify Mortgagors for credit eligibility whenever possible; the preliminary Uniform Residential Loan Application (URLA Form 1003) can be dated prior to the date of the purchase agreement.

**A. SUBMISSION**

The Participating Lender is responsible for performing a thorough investigation to determine whether both the Mortgagor and the property meet Program requirements. The following information must be uploaded into IHSF, once the reservation fee is paid, for the IHCDA “Committed” preliminary approval needed to close:

- IHCDA Homeownership Affidavit
- Certificate of Completion from Framework (if applicable)

**B. APPLICATION PACKAGE SUBMISSION (APPROVAL)**

All files will be reviewed in the order that they are received. IHCDA will underwrite all files within a reasonable amount of time from the date that the file is received. Participating Lenders are encouraged to check IHSF regularly for the status of its application packages.

When IHCDA determines that the application package is complete and in compliance with Program requirements, IHCDA will change the status to reflect “Committed Approved” in IHSF. IHSF will show a date on which the loan expires which is known as the Commitment Expiration Date (60 days from the date of reservation), and the Participating Lender must have received final approval from IHCDA and the loan must be purchased by the Master Servicer on or before such date.

**C. APPLICATION PACKAGE SUBMISSION (PENDED)**

If IHCDA needs additional information or if the application package is incomplete, the application package will be considered “pended” and the status will show “Application Package Review Incomplete” in IHSF. IHCDA will review the application condition(s) within a reasonable amount of time from the date the condition is received.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
CLOSING PACKAGE SUBMISSION  
SECTION 9**

**A. DUE DATE**

The loan closing package must be final approved by IHCD and purchased by the Master Servicer prior to the “Commitment Expiration Date” listed on IHSF. The Commitment Expiration Date is sixty (60) days after the date of reservation on all properties. Extensions may be granted. Contact IHCD for extension requests at [ExtensionRequests@ihcda.in.gov](mailto:ExtensionRequests@ihcda.in.gov).

**B. SUBMISSION**

After the loan closing, the Participating Lender must upload into IHSF the executed closing package, which consists of the following:

- Final Mortgagor and Loan Originator Signed 1003
- IHCD Borrower Informational Certificate – Signed
- 3 Years of Tax Transcripts - **required only for HOV/MCC loans**
- Signed Purchase Agreement/Counters/Amendments
- Appraisal
- Signed Closing Disclosure
- Mortgage, page one (1) ONLY
- IHCD Mortgage Rider – Signed – **required only for HOV/MCC loans**
- Note

IHCD documents cannot be dated prior to the date of closing.

All documents uploaded within the closing package are copies. IHCD does not require any original signatures.

**C. CLOSING PACKAGE SUBMISSION (APPROVAL)**

All files will be reviewed in the order that they are received. IHCD will underwrite all files within a reasonable amount of time from the date that the file is received. Participating Lenders are encouraged to check IHSF regularly for the status of its closing packages.

When IHCD determines that the closing package is complete and in compliance with Program requirements, IHCD will change the status to reflect “Closing Package Review Approved” in IHSF. IHSF will show a date on which the loan expires which is known as the Commitment Expiration Date (60 days from the date of reservation), and the Participating Lender must have received final approval from IHCD and the loan must be purchased by the Master Servicer on or before such date.

**D. CLOSING PACKAGE SUBMISSION (PENDED)**

If IHCD needs additional information or if the closing package is incomplete, the closing package will be considered “pending” and the status will show “Closing Package Review Incomplete” in IHSF. IHCD will review the closing conditions within a reasonable amount of time from the date the condition is received.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
CANCELLED/REJECTED/TERMINATED LOANS  
SECTION 10**

**A. CANCELLATION**

If the Participating Lender fails to receive final approval from both IHCD and the Master Servicer by the Commitment Expiration Date, IHCD will cancel the reservation. If the reservation is canceled by IHCD, the Participating Lender may request reinstatement of the reservation. Reinstatements will be approved at IHCD's sole discretion, and subject to the availability of funds. The Participating Lender has thirty (30) days to reinstate the reservation.

**B. DENIED RESERVATION**

IHCD may post a "rejected" status in IHSF if the information included indicates that either the Mortgagor or the property or both do not meet Program requirements. IHCD will terminate rejected loans thirty (30) days after the date it is given a "Rejected" status in IHSF. Any funds previously allocated to the property shall be made available for other loan applications.

**C. PERMANENT TERMINATION POLICY**

Once a reservation shows a status of "Terminated" in IHSF, a Participating Lender cannot reinstate the loan. If the Participating Lender wishes to originate a Honor Our Vets loan with the same Mortgagor at the same property address the Participating Lender must wait sixty (60) days from the date of termination to reserve the new loan. In which case, the Mortgagor will receive the current interest rate. If a loan is "Terminated", and the Mortgagor chooses to use a different Participating Lender the new lender may reserve the loan at any time and the Mortgagor will receive the current interest rate.

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
HONOR OUR VETS PROGRAM  
PROGRAM HIGHLIGHTS  
SECTION 11**

Honor Our Vets Program is a VA program but with added incentives. The incentives will provide the Veteran and their family the ability to relocate and help with some, if not all, of the costs.

1. Veterans Administration (VA) mortgage program conforming to all VA standards and requirements.
2. Loans must be sellable to Ginnie Mae.
3. Thirty (30) Year amortization, fixed rate loans.
4. Honor Our Vets Program VA Interest Rates will be set by IHCD A at 9:00 AM and shall remain in effect until 5:00 PM that same day. There is no overnight protection.
5. Each loan must be reserved through IHCD A's IHSF system and locked at the applicable rate.
6. Each Participating Lender must be an approved lender with IHCD A and have an approved VA Underwriter on staff. The Participating Lender and VA underwriter will perform the underwriting/disclosure function to conform to Ginnie Mae guidelines.
7. All loans must be sold to the Master Servicer and will be subject to any of their overlays.
8. Loans will have to be purchased by the Master Servicer within 60 days of reservation to avoid extensions.
9. Extensions will be allowed and charged to the Participating Lender at time of purchase to the Master Servicer.
10. Each Veteran will be eligible for up to, but cannot exceed, \$5,000 dollars.
11. The \$5,000 dollars can be used for down-payment assistance, closing costs, pre-pays, and /or relocation expenses.
12. IHCD A will offer \$5,000 where a home is either purchased or the employee decides to rent.
13. Each employer must be approved by the State of Indiana.
14. The State of Indiana will maintain a website where the participating employers must register. The website link is; <http://invets.org/ihcda/>
15. Irrespective of whether the benefit received by the Veteran is attributed to down payment assistance, closing costs and pre-pays, and/or relocation expenses, the initial expense will be incurred by the approved employer, IHCD A will in turn refund the approved employer, via ACH wire, once the Veteran is on the job and proof of such as been provided to IHCD A.
16. The reimbursement to each employer will be by wire and will need to be evidenced by an invoice from the employer with the name of the new employee, their respective position with the firm and start date.
17. **This is a one-time per employee opportunity.** The employer is not required to draw the full \$5,000 down at one time nor does the entire \$5,000 have to be used.
18. Invoices can be submitted via mail, email or fax and all invoices must have a general/basic description and breakdown of how the funds were used.
19. IHCD A will record and track each invoice and amount paid.
20. Loans may be coupled with IHCD A's Mortgage Credit Certificate Program (MCC) for qualifying first-time homebuyers.
21. IHCD A can offer the same \$5,000 Honor Our Vets relocation package in conjunction with the other homeownership programs, contingent on the employer being approved by the State of Indiana for the relocation assistance.