

## **OHFA Lender Participation Requirements**

1. Lender must be licensed to do business in Ohio and remain in compliance with the Ohio Mortgage Broker Act, Ohio Revised Code sections 1322.01 to 1322.12 and all administrative rules promulgated thereto.
2. Lender must have capacity to:
  - a. **Originate Ohio Housing loans**
  - b. **Underwrite Ohio Housing government and/or conventional loans**
  - c. **Close In lenders name**
  - d. **Fund the loan**
3. Lenders will advance the 2.5% or 5% monies for the Second Loan at the loan closing for the benefit of the Eligible Borrower, to be reimbursed based upon binding legal commitment from OHFA upon the purchase of the Mortgage Loan by servicer.
4. Lender Compensation –
  - 0.50% Origination Charge will be charged to the borrower and retained by Lenders.
  - Lender shall receive a Service Release Premium (SRP) equal to 2.50% of the first mortgage amount paid by the Servicer at the time of purchase.
  - A minimum \$1,500 in compensation will be paid on all Mortgage Loans. Loans less than \$60,000 will qualify for the minimum compensation.
- 5. If lender cannot perform Items 2-B, C or D above, the lender cannot participate.**
6. If lender meets all requirements of Item 3:
  - a. OHFA will send electronically required documents for OHFA Lender Contract Agreement, Mortgage Origination Sales Agreement (MOSA), Program Origination Guidelines (POG) and Term Sheets.
  - b. OHFA will notify (Servicer) to forward their separate contract documents to the lender.
  - c. Once the OHFA executed documents and the Servicer Lender Agreement are returned to OHFA and US Bank (Master Servicer) and have been approved, OHFA will set up lender information in OHFA systems, schedule webinar training with OHFA/Servicer for the lender.
  - d. Once training has been completed, OHFA will assign an analyst to be the lender's OHFA representative and provide lender Main Contact person with OHFA lender number, Lender Online Reservation System (LORS) login and password information (Business Relations Manager is the primary person to do new LOL set up, OHFA will activate the Lender branches that will be listed on the agency's website and updated as the lender provides.
  - e. Lender must produce at least 12 loans annually to be listed on the website. New lenders have the benefit of being listed from the contract beginning for one year, if they are unable to maintain 12 loans in the first year they will not be listed on website. Lenders are still approved to do loans, just not listed on website until the 12 loan requirement is met.
  - f. Be an FHA-approved mortgagee, (iv) furnish audited financial statements evidencing \$1,000,000 net worth, (v) maintain and furnish evidence of \$500,000 in Errors and Omissions coverage, (vi) maintain and furnish evidence of Fidelity Bond coverage,
  - g. Lender may begin to originate loans.

