



## Application for Approval as an “Eligible Lender”

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344 Fourth St. SW, Albuquerque, NM 87102

Telephone: (505) 843-6880

***The undersigned financial or lending institution (the “Mortgage Lender”) submits this Application for Approval as an ‘Eligible Lender’ (the “Application for Approval”) to the New Mexico Mortgage Finance Authority (“MFA”). The Mortgage Lender agrees that the documents and information submitted to MFA in connection with this Application will be used by MFA in determining whether to approve the Mortgage Lender to participate in MFA’s Homeownership Program(s).***

***Please note any missing or incomplete information will delay the processing and decision on your application.***

The Mortgage Lender acknowledges that its authorized and responsible representative has received and has read each of the following documents in their entirety and has raised any questions about the contents of those documents with MFA prior to submitting this Application for Approval:

1. New Mexico Mortgage Finance Authority Single-Family Homeownership Programs Mortgage Purchase Master Agreement and Representations and Warranties contained therein. Revised 07-01-2016. (Sample)
2. First Addendum to New Mexico Mortgage Finance Authority Single-Family Homeownership Programs Mortgage Purchase Master Agreement. (Sample)
3. First Home and First Down Compliance Manual and Next Home Compliance Manual, Revised December 2016.



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### Lender Application Package Submission Checklist

The following documentation must be provided to MFA as part of this Application for Approval:

- a. Lender Application Checklist
- b. Completed Application for Approval
- c. Complete address and originator names for all branches in New Mexico
- d. **Names and contact information of Processors, Closers, Supervisors and any employees** handling MFA loans.

Audited Financial Statements for the most recent two years.

YTD Financial Statements for the two most recent quarters (include Income/Expense and Balance Sheet).

Most recent two quarterly regulatory filings and most recent two annual filings (Depository Institutions).

Evidence of Fidelity Bond and Errors and Omissions coverage as required in the Master Agreement and its Addendum/Addenda.

Quality Control Plan (Prefunding and Post-Closing). Including summary of 3 most recent monthly single family quality control internal reviews.

Résumés for all Principal Officers, Quality Control and Underwriting Managers, and all Underwriters who will be underwriting MFA Housing loans.

Current licenses. State, Business, NMLS.

Policies and procedures for hiring, including results of background checks for principal officers (GSA, LDP, FHFA, SCP screenings).

Data Security and Business Continuity Plan’ including policies and procedures for the protection of Personally Identifiable Information (PII).

Policies and procedures for management of third party service providers.

Description of any action taken by regulators, state or federal, regarding Mortgage Lender, including Information and explanation of circumstances giving rise to each such action, Mortgage Lender’s corrective actions in response, and the disposition of each action.

Articles of Incorporation or Organization.

Board Resolution for Authorized Signers.

Lender Hiring Procedure Certification (Exhibit A).

Recertification Process Acknowledgement Form (Exhibit B).

On-Line Reservation System Authorized Password Administrators Form (Exhibit C).



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**Mortgage Lender Contact Information**

Name \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

NMLS # \_\_\_\_\_

Type of Lending Institution (Mortgage Banker, Mortgage Lender, Commercial Bank or Other)

Mortgage Lender’s net worth, as reflected in its most recent quarterly financial statements and if its financial condition is reflected on a consolidated basis with that of the parent company, the parent company’s net worth, as reflected in its most recent quarterly consolidated financial statements:

Mortgage Lender’s Net Worth \_\_\_\_\_

Parent Company’s Net Worth (if applicable) \_\_\_\_\_



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**Principal Owners and Officers (List all officers below as well as all persons who own 5% or more of Mortgage Lender or Mortgage Lender’s parent company)**

Principals	Name	Phone	Fax #	E-mail	% Ownership
President/CEO *					
CFO *					
COO *					
Treasurer					
Board Chair					
* - Resume' required					

### Managers of Key Functional Areas

Functional Area	Name & NMLS #	Phone	E-mail
Day-to-Day Direct Supervisor			
Processing Supervisor			
Loan Officers			
Underwriting			
Closing/Compliance			
Investor Delivery/Post Closing/MERS			

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**Agency/Investor–Lender Approval** - List ALL lenders and investors with whom your firm sell loans. This list should include those investors who represent a majority of your company’s sales volume and provide Investor Score Cards. (Attach a list, if needed)

Agency/Investor Name	Approved Date	ID#	Delegated (Y/N)	Contact
Fannie Mae				
Freddie Mac				
FHA				
VA				
USDA				
MFA Master Servicer				

### Mortgage Insurance Company Relationships

Company Name	Delegated (Y/N)	Master Policy #	Rep. Contact	Phone

**Loan Originations and Production History** – Enter the total number and total dollar amount of 1-4 family residential loans closed by the Applicant during the last two years

	YTD		Last Fiscal		Preceding Fiscal Year	
	Units	\$ Volume	Units	\$ Volume	Units	\$Volume
Conventional						
FHA						
VA						
USDA						
New Mexico Loans Only						



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## Wiring Instructions

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Mortgage Lender Contact Person: \_\_\_\_\_

Name & Title of Authorizing Individual: \_\_\_\_\_

Original Signature of Authorizing Individual: \_\_\_\_\_

Date of Authorization: \_\_\_\_\_

### **WIRE TRANSFER**

Bank to which funds are to be wired: \_\_\_\_\_

ABA Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Specific Transfer Instructions:

Contact at Wire Bank: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

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### Lender Certifications:

<p><b>Have any of the principal officers, directors, partners, members, or owners of a 5% or more interest of Mortgage Lender ever been:</b> (If answering YES to any of the following, please explain in full detail on a separate attachment.)</p>		
<b>YES</b>	<b>NO</b>	Convicted of a crime or named in a pending criminal proceeding (excluding traffic violations)?
<b>YES</b>	<b>NO</b>	Listed by HUD, as having been precluded or suspended from originating FHA loans?
<b>YES</b>	<b>NO</b>	Have mortgage operations had a HUD Neighborhood Watch Compare Ratio above 125% in preceding 24 months?
<b>YES</b>	<b>NO</b>	Suspended, terminated, debarred or denied approval by HUD, Fannie Mae, Freddie Mac, GNMA, FHA/VA or any mortgage insurance company, warehouse bank, secondary market investor?
<b>YES</b>	<b>NO</b>	Suspended from doing business by an investor, correspondent lender or government agency?
<b>YES</b>	<b>NO</b>	Involved in any litigation with an investor, lender or government agency?
<b>YES</b>	<b>NO</b>	The subject of any material (as that term was defined by your auditors in your last independent financial audit) litigation, assessments or contingent liabilities not disclosed in your financial statements?
<b>YES</b>	<b>NO</b>	Are there any actions, claims, inquiries, investigations, suits or proceedings pending, or at law against Mortgage Lender?
<b>YES</b>	<b>NO</b>	Subject to an unfavorable opinion based on an audit or examination by any investor or regulatory agency?
<b>YES</b>	<b>NO</b>	Are any employees or officers of Mortgage Lender or Mortgage Lender’s parent company ever been excluded from coverage for fidelity bond or errors and omissions insurance coverage?
<b>(For the following questions, if answering NO, please explain in full detail on a separate attachment)</b>		
<b>YES</b>	<b>NO</b>	Does Mortgage Lender have the capability to underwrite and approve its own loans?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender comply and conform to Fannie Mae / Freddie Mac Responsible Lending and Anti-Predatory Lending guidelines?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender comply or conform to Fannie Mae / Freddie Mac quality control guidelines?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender comply with Appraiser Independence Requirements f/k/a HVCC?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender comply with Patriot Act?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender comply with Gramm – Leach – Bliley Act?
<b>YES</b>	<b>NO</b>	Does Mortgage Lender have procedures for checking all employees against the US General Services Administration (GSA) Excluded Party List and HUD Limited Denial of Participation List (LDP)?



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### Bank Secrecy Act and Anti-Money Laundering Program

The Lender certifies that an acceptable OFAC Alert screening process and Anti-Money Laundering Program are in place and meet the following requirements:

- Mortgage Lender is required to give adequate notice to customers that it is requesting information to verify their identity.
- Mortgage Lender must ensure the customer furnishes such forms of identification as the Secretary of the Treasury may require, and the financial institution verifies and records such information in accordance with regulations which the secretary will prescribe.
- Mortgage Lender must provide a “Customer Identification Notice” to each borrower at time of application advising them of anti-money laundering activities.
- Mortgage Lender must obtain each customer’s complete name, address, tax ID number and date of birth at the time of application.
- For face to face applications, Mortgage Lender must identify each borrower based on the Lender’s visual observation or the applicant’s surname.
- Mortgage Lender must check OFAC lists and take appropriate action when matches are identified.

The BSA Compliance Program must provide for the following minimum requirements:

- Mortgage Lender has implemented effective policies, procedures and internal controls assuring compliance with BSA/AML.
- Mortgage Lender has independent testing of BSA compliance.
- Mortgage Lender has a designated individual or individuals responsible for managing BSA compliance.
- Mortgage Lender requires and performs initial and ongoing BSA/AML training for all employees.

### Appraisal Policy

Mortgage Lender certifies that it has a written policy governing the appraisal ordering process and the preparation of appraisal reports prepared on Mortgage Lender’s behalf. This policy maintains that all appraisal reports must, at a minimum:

- Meet Appraiser Independence Safeguards as published by HUD.
- Meet the Home Valuation Code of Conduct (HVCC) as published by Fannie Mae.
- Comply with the standards of the Uniform Standards of Professional Appraisal Practice (USPAP).
- Be written and contain sufficient information and analysis to support the decision to engage in the transaction.
- Be based upon the definition of market value as set forth in the USPAP.
- Be performed by a state licensed or certified appraiser.
- Assure that no Production Staff employee (defined as any person on mortgage lender’s staff that is part of loan production staff and /or receives a bonus or commission based on the loan closing) shall determine the selection of the appraiser.
- Assure that no Production Staff employee shall have any contact with appraiser at any time during the appraisal process.
- Mortgage Lender will employ ongoing monitoring and periodic assessments of all contracted Appraisal Management Companies, and/or appraisers to ensure acceptable performance standards consistent with supervisory guidance.
- Mortgage Lender shall ensure that selected appraiser does not appear on any State or Federal, Investor Watch and/or Exclusionary Lists.
- Mortgage Lender further certifies that proper controls exist with regard to quality control audits and underwriting review procedures to ensure compliance with its Appraisal Policy.

### Quality Control Program

Mortgage Lender certifies that it maintains an ongoing Quality Control program and that the program provides for quality control reviews to be conducted monthly on a random sample of not less than 10% of loans originated by Mortgage Lender. Mortgage Lender’s Quality Control program must include the following procedures, at a minimum:

- Quality Control reviews are to be performed by an individual or individuals who are completely independent from the origination, processing, underwriting or closing of the loan being reviewed.

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- Quality Control reviews may be conducted by a qualified company employee or by an outside contractor who is appropriately qualified.
- Each review shall consist of a thorough re-assessment of the loan application, credit report, income and employment documentation, asset documentation, appraisal report and any other pertinent information contained in the loan file to assess that each loan is in compliance with all applicable regulations and MFA program requirements.
- The results of these Quality Control reviews must be made available to Mortgage Lender’s senior management within 90 days of the close of the reporting period.
- Mortgage Lender’s senior management must review the Quality Control findings within 30 days of receipt and implement corrective action where needed to prevent the recurrence of major exceptions.

If Mortgage Lender is subject to CRA; what is the latest rating: \_\_\_\_\_

**The Mortgage Lender hereby gives MFA the authority to audit the records of the Mortgage Lender to verify the information contained in this Application and understands that any false information provided herein may result in exclusion or termination of the Mortgage Lender from participation in the Program.**

### **Certifications and Execution of Application for Approval**

Mortgage Lender hereby certifies and represents that the information contained in this Application for Approval and the documents submitted herewith are accurate, true and correct as of the date hereof.

Mortgage Lender further certifies that, with the exception of MFA approval (which is sought with this Application for Approval), it has satisfied all requirements to be an Eligible Lender as defined in MFA’s Rules and Regulations and Program Documents; and meets all Representations and Warranties contained in the Single Family Homeownership Programs Mortgage Purchase Master agreement.

Mortgage Lender acknowledges that if MFA approves Mortgage Lender to participate in the Program; such approval will be evidenced by MFA’s issuance of a Notice of Approval to Mortgage Lender in response to this Application and an executed Homeownership Programs Master Agreement. Additionally, Mortgage Lender acknowledges that if approved, it will reserve loans via MFA’s On-Line Reservation System. If approved, the Mortgage Lender agrees that its approval to participate in the Program will be subject to periodic review and annual recertification by MFA and to termination by MFA in accordance with procedures established by MFA. Mortgage Lender acknowledges that disapproval will be evidenced by MFA’s issuance of a Notice of Disapproval to the Mortgage Lender.

The individual executing this document below represents that such person is duly authorized to provide the certifications and assurances and submit this Application for Approval on behalf of Mortgage Lender.



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SIGNATURE OF AUTHORIZED REPRESENTATIVE(S) OF MORTGAGE LENDER

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Company*

SIGNATURES OF PRINCIPAL OWNER(S)

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*



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**Lender Hiring Procedure Certification**

**Exhibit A**

(Required annually)

This is to certify that \_\_\_\_\_ has checked all current employees, including management involved in the origination of mortgage loans (including application through closing) against the U.S. General Services Administration (GSA) Excluded Parties List, the HUD Limited denial of Participation List (LDP List), and the Federal Housing Finance Agency (FHFA) Suspended Counterparty Program (SCP) list.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Date



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### Recertification Process Acknowledgement

#### Exhibit B

Current lenders will be required to provide annual documentation for re-certification to continue to participate in MFA programs.

#### Lender Re-Certification Requirements

Annual Lender Recertification form.

Most recent audited financial statement.

Most recent quarterly unaudited Income Statement and Balance Sheet.

Current Fidelity Insurance Bond Policy.

Current Errors and Omissions Policy.

Lender’s Quality Control-Policies and Procedures. This is only required if there were changes within the last 12 months.

Annual Quality Control Results; including discrepancies and corrective action tracking.

Updates for any policy changes within the past 12 months for the following documents:

AML (Anti Money Laundering Policy)

CIP (Customer Identification Policy)

OFAC (Office of Foreign Assets Control Policy)

Explanation for any action taken by state or federal regulators as evidenced by NMLS search.

Resumes for any new Principal Operating Officers and Underwriters.

List of any new Loan Officers, Processors, Closers or any employees handling MFA Loans (include copies of NMLS licenses for each, if applicable).

Board resolution for any changes in Authorized Signers.

Signed Lender Hiring Procedures Certification (sample form is attached).

#### **Recertification Acknowledgement:**

\_\_\_\_\_

Name

\_\_\_\_\_

Title

