



Program Fees and Lender Compensation

Arizona IDA DPA Program Lender Training

Questions?

Contact: Operations@HomePlusAz.com

v020325a



Arizona IDA Home+Plus & Arizona is Home



Program Fees and Lender Compensation

There are five related fees directly associated with the HOME+Plus & Arizona is Home programs.

- **Compliance Review Fee**
- Master Servicer Fee
- 2nd lien DOT recording fee
- Lender Compensation
- Extension Fee - (if applicable)

Compliance Review Fee

- **The compliance review fee of \$250 payable to Hilltop Securities (HTS).**
- Hilltop Securities (ACH) Payment Program (HilltopPay) offers a secure way to process compliance fee payments easily, efficiently, and at no cost to our participating Lender Partners by identifying fees due and providing instant access to authorize payments.
- The benefits of HilltopPay for lenders include:
 - Eliminates costly wire payment processing fees
 - Eliminates duplicate payments resulting in refunds
 - Speeds up approval of loan compliance files
 - Provides accurate account identification
 - Uses same Lender Portal (Lender Online) user credentials



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Master Servicer Fees (The Money Source)

- **Funding Fee -- \$319**
- **Servicing Fee - \$125**
- **Tax Service Fee -- \$80**
- **If applicable:**
 - **.50 LLPA MHU Funding Fee –**
 - **on total loan amount for manufactured homes**
 - **\$20 Fraud Prevention (if not included in the file)**
 - **\$15 Life of Loan Flood (if not ServiceLink or CoreLogic)**

The master servicer fees are netted from the Lenders Proceeds upon purchase of the mortgage by the master servicer. Since this is a secondary market transaction, these fees should NOT be made payable to The Money Source on the LE/CD. The Lender can charge these fees as their own and disclose these fees as their own to offset the charge upon purchase.



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HOME+PLUS 2nd Lien Recording Fee

- **The County Recording Fee will vary by County**
- The only fee allowed on the Arizona IDA HOME+PLUS DPA 2nd lien is the recording fee for the Deed of Trust. A Title Insurance Policy, Escrow Fee, Endorsement Fee, Protection Letter, or any other fee is not necessary nor allowed in association with the HOME+PLUS DPA 2nd lien.



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Lender Compensation

- **SRP**
 - The Lender receives a 150 bps Service Release Premium (“SRP”) on all FHA, Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, VA, USDA and HUD 184 transactions.
 - The SRP is paid upon purchase by the master servicer, less any applicable extension charges.
- **Origination Fee**
 - The Lender can charge an origination fee of up to 1%
 - It is the Lender’s responsibility to ensure compliance to Agency / CFPB guidelines in relationship to any charges and fees.
 - Discount points are not allowed.
- **Reasonable and Customary Charges**
 - Lender Fees are fees paid to the Lender for services rendered (i.e. Processing Fees, Underwriting Fees, Administrative or Administration Fees and Doc Prep Fees). Arizona IDA does not impose a cap on the Lender’s reasonable and customary charges. It is the Lender’s responsibility to ensure compliance to Agency / CFPB guidelines in relationship to any charges and fees.
- **Manufactured Home / MHU Funding Fee**
 - **All lenders have the options to disclose and charge up to .50 and show on final CD as MHU Funding Fee.** This will offset the .50 TMS charge against the lender’s SRP on all manufactured home transactions – see Master Servicer Fees



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Extension Fee

- Once the loan is reserved, the lender has **60-days** for the transaction to close, fund, clear compliance review, and be purchased by the master servicer. Exceeding this total **60-day** timeline will result in an extension fee charged against the lenders SRP.
- We offer a 7-day, 15-day, 22-day and 30-day extension (90-days total time) to the lender for complete delivery. We are not obligated to exceed the 90-day total time period for purchase. Any transaction that exceeds the 90-day period does not have to be honored by Arizona IDA or the master servicer.
- The current HOME+PLUS extension fee schedule is as follows:

Rate Lock Extension	Extension Fees
7 days	0.06250 Points
15 days	0.12500 Points
22 days	0.18750 Points
30 days	0.25000 Points



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Program Fees and Lender Compensation

QM – ATR – HPML

- Extensions of credit made pursuant to a program administered by a Housing Finance Agency (defined under 24 CF 266.5) is exempt from the QM/ATR rules. The Arizona Industrial Development Authority (DPA programs) meets the definition of a Housing Finance Agency under 24 CFR 266.5.
- **Higher-Priced Mortgage Loans (HPML)** – our master servicer The Money Source, will purchase Higher-Priced mortgage loans (HPML).
- **High-Cost Loans** - our master servicer The Money Source, will NOT purchase High-Cost loans.
- **Ability to Repay (ATR) / Qualified Mortgage (QM)** – mortgage loans that are originated and closed by Lenders participating in a program administered by an HFA, Housing Finance Agency like the Arizona IDA are exempt from some ATR/QM requirements.



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QM – ATR – HPML

- While HFA loans are exempt from the 3% QM test, they are NOT exempt from the HOEPA requirements as they relate to High Cost and the TILA requirements for higher-priced mortgage loans.
- It is the lender's responsibility to ensure that any higher priced loans followed HOEPA & TILA regulations and comply with HOEPA (5%) and State (5%) limits.
 - The Arizona IDA HOME Plus program does not restrict or set limits on lender's fees, including an origination fee.
 - How much a lender chooses to charge via an origination fee could have an impact on the 5% thresholds noted above.





End Of Program Fees and Lender Compensation



END

