



**Habitat for Humanity of Iowa, Inc.**  
**FY'17 Loan Program Prequalification Worksheet**

Deadline for submission of the Prequalification Worksheet is January 31, 2017. The SSO will select eligible affiliates for the program based on the merit of their Prequalification Worksheet, with announcements made on February 13, 2017.

An Application and Readiness File Checklist will be made available to all affiliates deemed eligible at that time: the completed Application and all documents on the Readiness File Checklist must be submitted to HFH-IA no later than March 1<sup>st</sup>, 2017. Refer to the HFH-IA Loan Fund Request for Applications for submission requirements

**PREQUALIFICATION WORKSHEET**

Affiliate Name:					
Contact Person:					
Email:		Phone:		Fax:	
Affiliate Address:					
City:		State:		Zip Code:	

<b>1.</b>	Amount Requested:				
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<b>2.</b>	Purpose/Use of Funds:				
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<b>3.</b>	Approximate Date affiliate anticipates drawing the loan funds:	
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<b>4.</b>	Proposed Collateral (mortgages must show a payment history of at least 6 months, with no late payments):						
	Address (Street, City, Zip)	Homebuyer Name (Last, First)	Current Balance	Months Remaining	Monthly Payment	Months Paid	Late Fees

<b>5.</b>	Ability to Repay (attach a copy of the following documents):	
	<input type="checkbox"/>	FY'16 Profit & Loss statement compared to budget
	<input type="checkbox"/>	June 30, 2016 Balance Sheet

<input type="checkbox"/>	FY'16 Statement of Cash Flow
<input type="checkbox"/>	Detailed FY'17 Budget
<input type="checkbox"/>	12-month, Monthly Cash Flow Projections FY'17

<b>6.</b>	Other	
Is the affiliate in good standing per HFHI guidelines?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Will the affiliate utilize HFH-IA loan funds to increase home production?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the affiliate a party to any lien or lawsuit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
The affiliate has filed the appropriate Form 990 with the IRS.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
The affiliate follows all applicable mortgage origination regulations and laws.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

<b>7.</b>	Ability to meet requirements of the Readiness File Checklist:	
We hereby agree to submit all documents on the Readiness File Checklist (Exhibit A) to HFH-IA by March 1 <sup>st</sup> , 2017. We understand that failure to provide all required documentation may forfeit our eligibility for the current round of the FY'17 Loan Program.		
<b>Executive Director (if applicable)</b>	<b>Board Chairperson</b>	<b>Treasurer</b>
Name (print):	Name (print):	Name (print):
Signature:	Signature:	Signature:
Date:	Date:	Date:

**Exhibit A. Readiness File Checklist**

<input type="checkbox"/>	1.	Collateral File
	<input type="checkbox"/>	Mortgage Information Sheet
	<input type="checkbox"/>	Homeowner payment history
	<input type="checkbox"/>	Copy of recorded mortgage
	<input type="checkbox"/>	Original homeowner promissory note
	<input type="checkbox"/>	Current Title Opinion or Title Guaranty (Title Insurance outside Iowa)
	<input type="checkbox"/>	Evidence of homeowner's property insurance paid
	<input type="checkbox"/>	Flood hazard determination
	<input type="checkbox"/>	Appraisal at time of closing
	<input type="checkbox"/>	Homeowner application and income verification
<input type="checkbox"/>	2.	Certified June 30, 2016 <i>Mortgage Portfolio Quality Report (available on HFH-IA's website)</i>
<input type="checkbox"/>	3.	Historical Sources of Support
<input type="checkbox"/>	4.	A "count" and brief narrative of program production goals (include new construction and ABWK)
<input type="checkbox"/>	5.	Current 1-3 Year Fund Development Plan, including planned fund sources, amount, timing, & responsible committee or staff person
<input type="checkbox"/>	6.	Agreement to adhere to all HFH-IA Loan Fund Requirements (Exhibit B.)

## Exhibit B. Loan and Portfolio Requirements

### Other HFH-IA Loan Fund Requirements

1. The affiliate must be in **good standing** with the HFH-IA, the Iowa Secretary of State, and HFHI.
2. The affiliate must file the appropriate Form 990 with the IRS.
3. The affiliate must follow applicable mortgage origination regulations and laws
4. The percentage of an affiliate's mortgages that may be pledged will not exceed 50% of the **performing** mortgages in an affiliate's portfolio both in dollar amount of principal outstanding and in number of mortgages, minus any mortgages pledged to another lender. Performing mortgages and balances must be certified by a current Mortgage Portfolio Quality report at the time of loan disbursement.
5. An affiliate with revenues exceeding \$250,000 or discounted assets in excess of \$500,000 must produce **annual audited financial statements**.
6. Each affiliate must submit **quarterly financial statements** and a **quarterly Mortgage Portfolio Quality Report** for its entire loan portfolio for as long as the affiliate is a borrower of HFH-IA.
7. Depending on the source of capital, the projects may or may not be required to be built in Iowa. HFH-IA will determine projects outside Iowa on a case by case basis.
8. HFH-IA will debit an affiliate's bank account for the monthly loan payments.
9. The affiliate must provide a **Board borrowing resolution** acknowledging its current loan balance (if any), the new amount to be borrowed, and naming the authorized signers of the loan documents.

### Portfolio Requirements

1. The property pledged must be covered by **title guaranty (title insurance outside Iowa)** or have a clean **attorney's opinion** as to status of title. Title must be vested in homeowner and any filed encumbrances, liens, covenants, etc. must be acceptable to HFH-IA. In addition, the homeowner must have both **property and liability insurance** with the affiliate and HFH-IA named as loss payee.
2. A **flood plain determination** must be completed for any pledged loan; and if a property is within a flood plain, flood insurance is required.
3. The first mortgage loan amount may not exceed 80% of the appraised value of the home. The value of the property will be determined based on a copy of an **appraisal** submitted to HFH-IA. There may be justifiable reasons to accept a mortgage loan with an amount above 80% of the appraised value. This will be determined by the Loan Committee on a case by case bases and will include the credit worthiness of the borrower.
4. Only **mortgages**, not contracts for deed, can be pledged.
5. A professional servicer must service all homeowner loans, or HFH-IA must verify that the affiliate's servicing policy is acceptable. All tax and insurance must be escrowed and paid through the servicer.
6. Any mortgage pledged to HFH-IA must be for **property in Iowa**, unless otherwise approved by HFH-IA.
7. Once pledged, **a mortgage cannot become more than 90 days delinquent** – at this point the affiliate must provide replacement collateral. Once pledged, **a mortgage cannot become more than 90 days delinquent** – at this point the affiliate must provide replacement collateral.
8. No mortgage in the portfolio will be accepted as collateral if the homeowner has been more than **60 days delinquent in the past 12 months**. New mortgages may be pledged at the discretion of HFH-IA.
9. No outside subordinate financing such as home equity loans may be placed on any properties in which a mortgage has been pledged as collateral to HFH-IA **without prior written approval** from HFH-IA.
9. Mortgages may only be pledged to one entity at a time. Mortgages and homeowner payments may not be amended or modified in any way while assigned/pledged to HFH-IA, **without prior written approval** from HFH-IA.