



March 24 , 2020

## Lender Bulletin 2020-3: NJHMFA Single Family Loan Program Procedures During COVID-19 Modified Work Environment

**Effected Programs:** All Programs  
**Effective Date:** Ongoing

Due to the current health concerns related to COVID-19, the vast majority of NJHMFA staff will be working remotely until further notice. Please contact Agency staff via their work email address. NJHMFA encourages all of our business partners and constituents to submit any and all documentation in an electronic format whenever possible as staff will continue to check email and review information submitted electronically.

### Attention Lenders:

This bulletin details the steps NJHMFA is putting in place in order to continue Single Family operations during the State of Emergency brought on by the COVID-19 pandemic. Note that Agency staff is working remotely, and process will be modified to adapt to these working conditions.

**ILRS System, Programs and Rates:** The Internet Loan Reservation System (ILRS) will continue to be open and available for loan reservations in all programs. Agency Interest rates on some programs may fluctuate more than they have in the past, as both the TBA and Mortgage Revenue Bond markets are experiencing extreme turbulence.

**Required Electronic Submission :** All pre-closing underwriting packages for First-Time Homebuyer and Homeward Bound loans must be submitted electronically for Agency review, as do any additional documents required to clear pre-closing conditions. NJHMFA has recently launched a process for electronic upload of these documents, and all lenders should have gone through training detailed in [Bulletin 2020-2](#) .

**Employment Verification:** VOs need to be done in accordance with guidelines issued by the investor/insurer. This direction is fluid as the GSEs are providing continuing updates

regularly. We will provide guidance as we can, and we intend to follow FHA and GSE guidance as closely as possible for applicable loans.

**Purchase Package Submission and Review:** Closed Loan package submissions on First-Time Homebuyer and Homeward Bound loans should continue to be made electronically via the MetaWorx system. Physical notes, allonges and other collateral should continue to be sent to NJHMFA via Fedex/UPS overnight mail. The agency will purchase loans after a review of the imaged collateral documents, and once we confirm receipt of the delivered physical package. As we may not be able to review the physical documents for completeness and appropriateness in advance of purchase, lenders must be aware that any collateral deficiencies on loans purchased during this time will be subject to post-purchase review and conditions. If the collateral cannot be perfected by the lender within 60 days, the lender will be required to repurchase the loan.

*\* Any lender not wishing to be subject to this process should hold their closed loan packages until such time as NJHMFA staff is working back in the office and able to review hard copy of collateral prior to purchase .*

**Police and Fire Submission and Review:** PFRS loans do not require agency review prior to loan closing. Lenders should follow Fannie Mae guidance on best practices regarding VOEs, appraisals and closing documents, while making sure clear title is obtained and required documents are notarized as required and able to be recorded by the municipality. The agency is finalizing a process for electronic delivery of closed loan packages on PFRS. Lenders are instructed to hold these packages until further guidance is provided, likely within one week's time.

**Loan Purchase Timeline:** NJHMFA will continue to purchase loans throughout this time, using a modified purchasing schedule. Beginning the week of March 30, NJMHFA will make one purchase of loans weekly. This purchase will occur on each Friday, unless moved to another day that week due to a holiday closure.

Please be assured, NJHMFA staff continues to work diligently to provide you with the information you need. We will continue to provide updates through email bulletin as necessary.

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## Questions? Need Help?

All General Lender Communication requests should be emailed to [SFenders@njhmfa.gov](mailto:SFenders@njhmfa.gov)

Underwriting-specific questions should be directed to [Justin Tierney](#).

Loan Purchasing-specific questions should be directed to [Val Dromboski](#) .

Access Forms, Checklists, Policies, Previous Lender Bulletins and more at the Lender Resources Page: [www.njhousing.gov/lenders/](http://www.njhousing.gov/lenders/)

