M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.

Encompass®

M/I Financial Encompass Branch Loan Specialist Standard Operating Procedures

Contents

Role of a Loan Specialist

A loan specialist's principal duty is the timely and accurate packaging of loans originated for submission to underwriting and final preparation for closing for all M/I Homes borrowers. They must verify all information provided on the loan application. This includes checking employment status, assets, and outstanding debts. You will work closely with the borrower to obtain any missing or additional documentation that is needed to comply with lending guidelines and regulations. In addition, the loan specialist must set the appropriate expectations about the loan process so that we may successfully complete the sale of the M/I Home while maintaining a high degree of customer service our borrowers expect and deserve.

The following is our loan specialist standard operations procedure manual, which we have adopted to ensure there is a clear understanding of their duties and responsibilities so that we may continue to enjoy a respectable relationship with the M/I Homes Division and their home buyers.

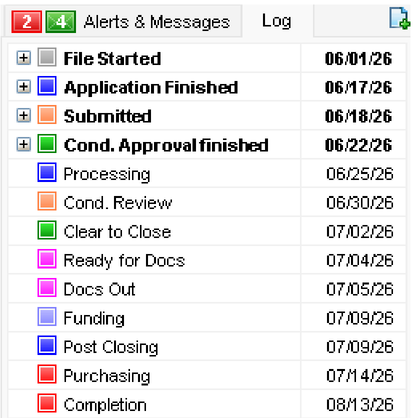
Service Level Agreements:

Commitment Letter – Loan Commitment letter to be sent to the borrower within 2 business days from loan assignment.

Submit to Branch UW for Clear to Close – a minimum of 7 business days prior to closing date.

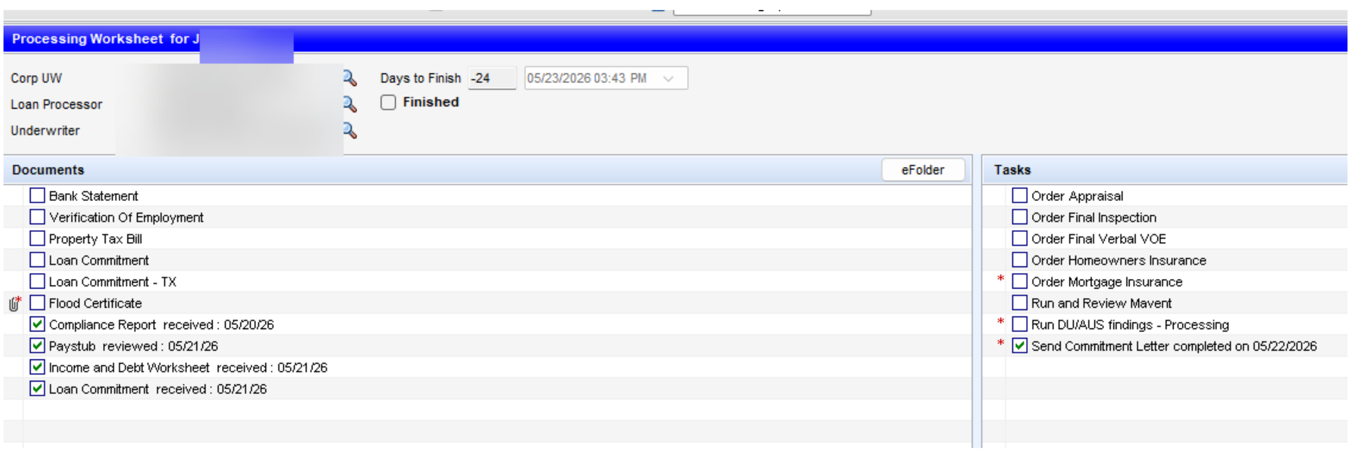
Closing – Ready for Closing Disclosure box is marked to request closing disclosure a minimum of 7 business days prior to closing date and the LQCC/Credit refresh has been completed.

Milestones



The loan specialist will primarily work in the Processing milestone.

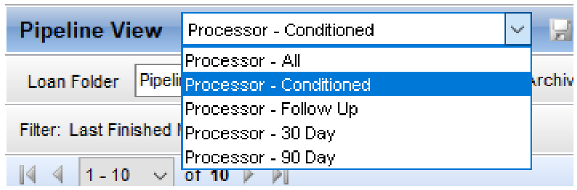
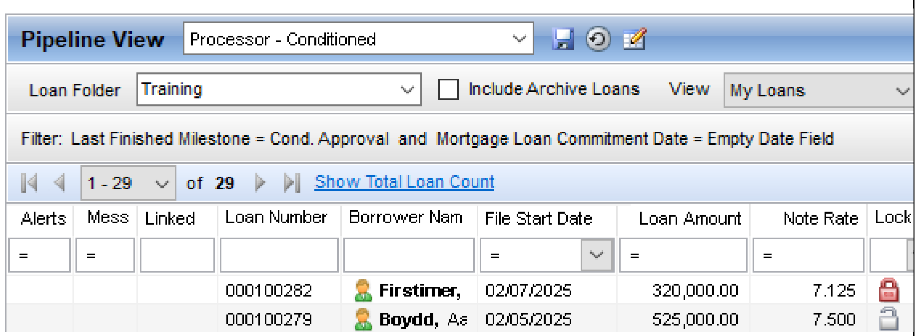
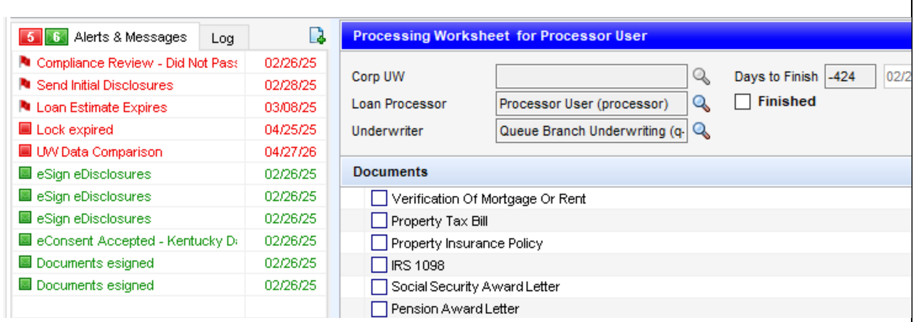
Milestone Tasks are required to be completed prior to “Finishing” the Milestone.



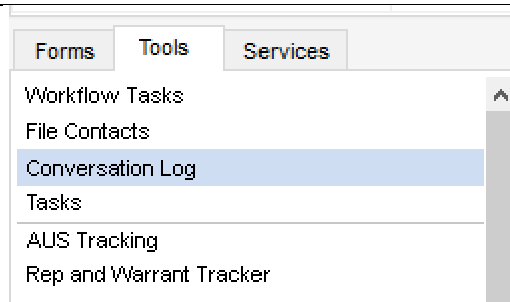
Initial Processing Loan Review

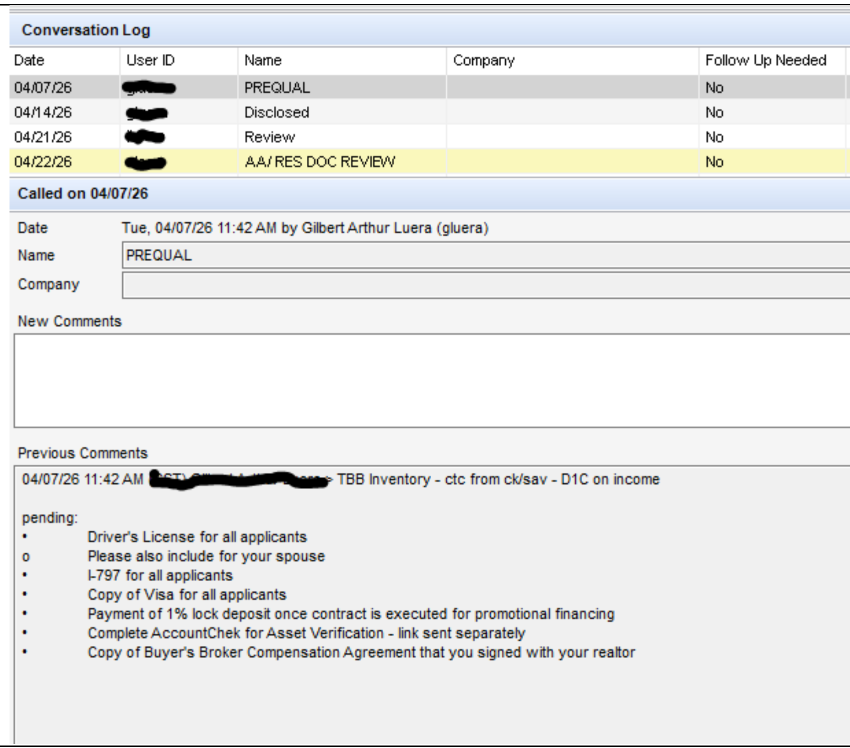
Pipeline

	Action	Screen Shot

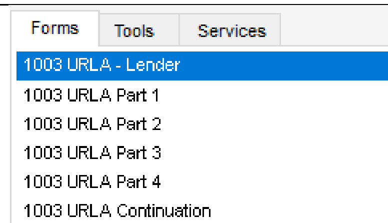
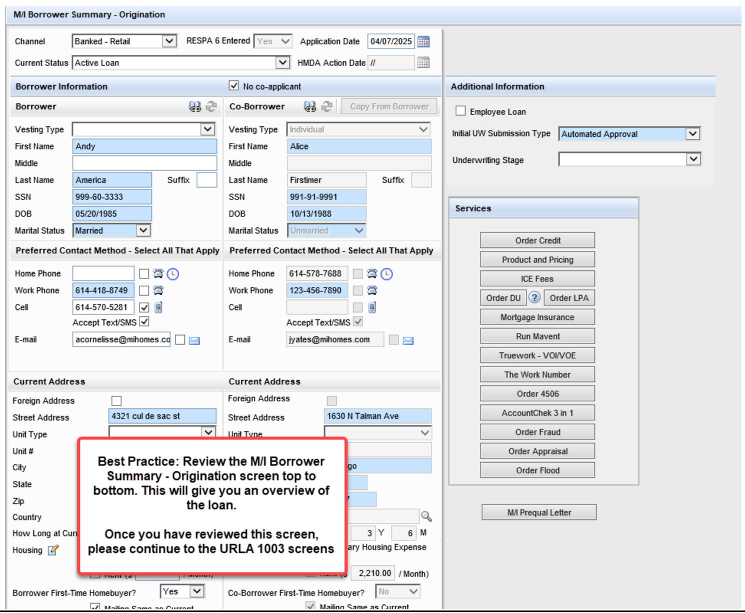
1	The Pipeline is the starting point for processing, viewing, and managing loans. Processor's pipeline views consist of: **All** – entire pipeline **Conditioned** – Loans where last finished milestone is Conditional Approval **Follow Up** – Loans with new Alerts, Conversation and Task follow up. **Processor 30-Day** – Est Closing date within 30 days **Processor 60-Day** – Est Closing date within 60 days Go to pipeline: **Processor – Conditioned**	
2	Within your **Processor – Conditioned** pipeline view, the new loans that have been initially approved and ready for commitment letter will appear. Double click on the loan you wish to open.	
3	This will bring you to your **Processing Milestone Worksheet.** You will be able to access your loan through this worksheet.	

Conversation Log

<table>
<tr>
<td>1</td>
<td>Reviewing the loan:
Conversation Log – Review Notes & Comments
This can be viewed in Tools, Conversation Log.</td>
<td>
</td>
</tr>
<tr>
<td>2</td>
<td>Conversation Log:
Review the notes from the loan officer, branch underwriter, and corporate underwriting to determine any additional information that may need to be addressed with the borrower.

The conversation log is to be used to keep everyone informed about what is going on with the loan and conversations with the buyer.</td>
<td>
</td>
</tr>
</table>

M/I Borrower Summary Origination

1	Go to the **M/I Borrower Summary Origination** Page and **1003 URLA** pages to review loan details. The M/I Borrower Summary - Origination screen, needs to be reviewed from top to bottom so you have an overview of the entire loan.	 

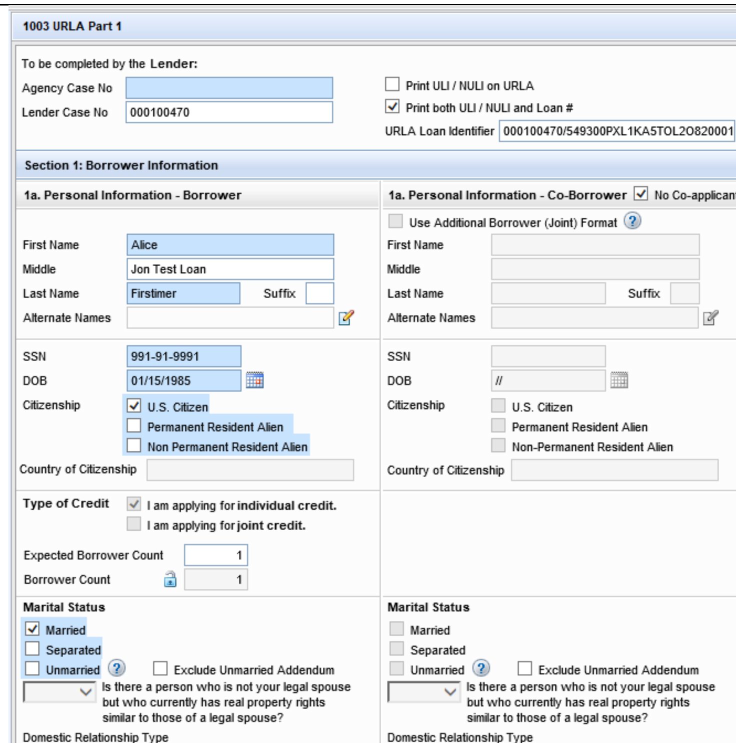
1003 URLA Forms

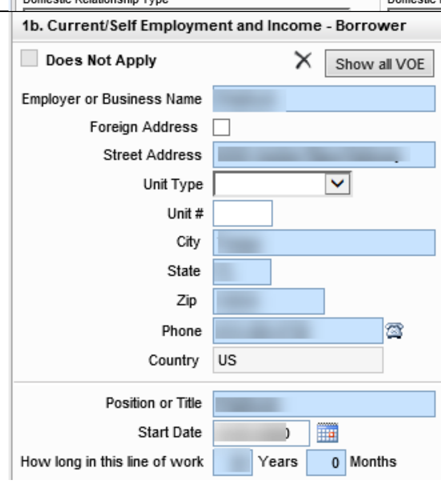
<table>
<tr>
<td>1</td>
<td>1003 URLA Part 1 Screen – Review for accuracy for the borrower’s information.

Note that all blue fields indicate a required field that needs to be completed.

Check present monthly housing payments, military status, marital status, and Citizenship.

2-year residence history required.

Make any necessary corrections as you review the URLA.</td>
<td>
</td>
</tr>
<tr>
<td>2</td>
<td>1003 URLA Part 2
Review information for completion:
Employer - check start dates, addresses. 2-year history required.
Income including income from other sources.
Make necessary corrections. It is the loan specialist’s responsibility to verify, update and calculate income.

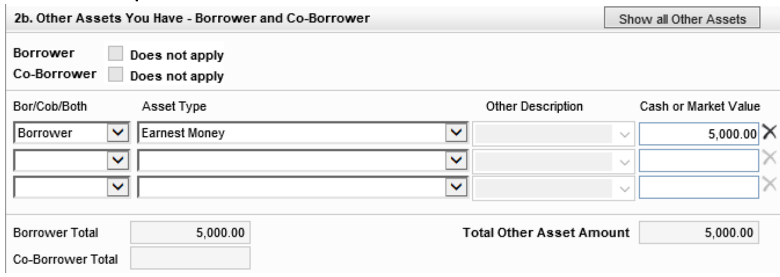
Any material changes should be escalated to Branch UW for review. Loan Officers will assist on loans requiring redisclosures or restructuring.</td>
<td>
</td>
</tr>
</table>

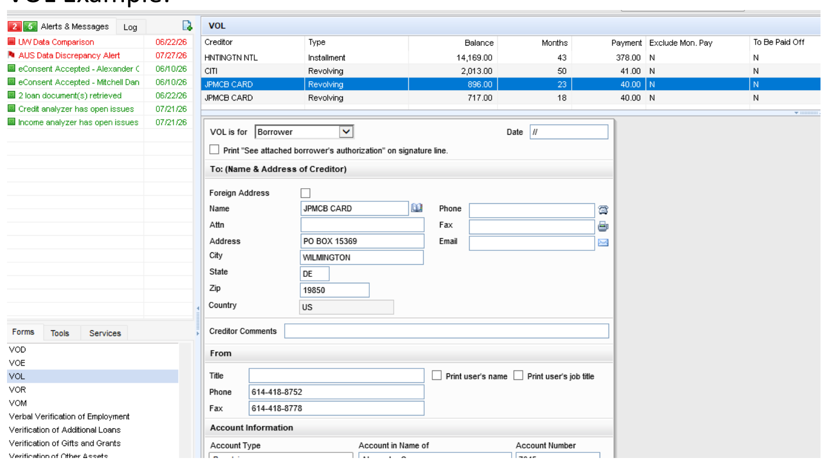
<table>
<tr>
<td>3</td>
<td>
1003 URLA Part 3
Review information for completion:

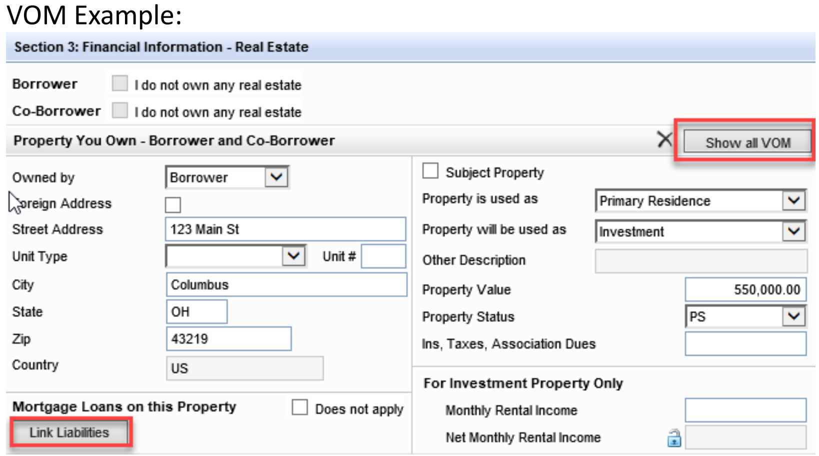
2a. Assets
2b. Other Assets - Enter EMD here – it will flow to URLA-Lender M6. “Cash Deposit on Sales Contract”
2c. Liabilities – use the Show All VOL button to see all the liabilities and make changes.
VOL – Cross reference the Credit Bureau to review liabilities.

Click the Link Liabilities button to link a mortgage liability to the REO.

3. Financial Information-Real Estate – Use Show All VOM button

</td>
<td>
EMD Example:


VOL Example:


VOM Example:


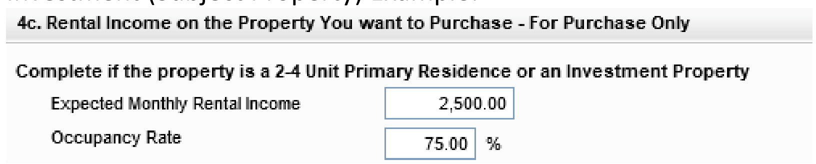
Tip Using the VOM and VOL Forms directly will allow you to view the eFolder and other loans screen simultaneously.
</td>
</tr>
</table>

4

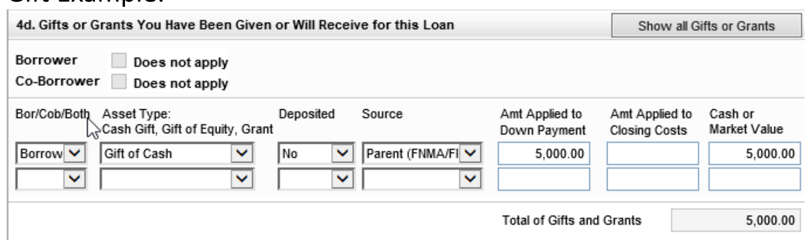
1003 URLA Part 4

- **4c. Rental Income on the Property You want to Purchase - For Purchase Only** should be completed on investment purchases (subject property)
- **4d. Gifts or Grants** – Add Gifts, Grants and/or Bond Information

Investment (Subject Property) Example:



Gift Example:

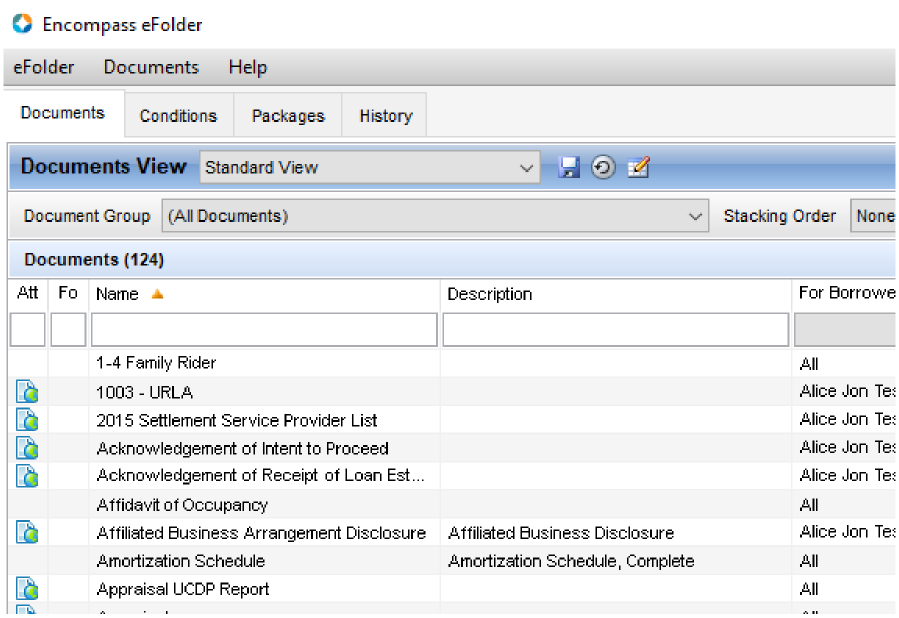


Verify Declarations and Demographic areas are complete.

eFolder Document Review

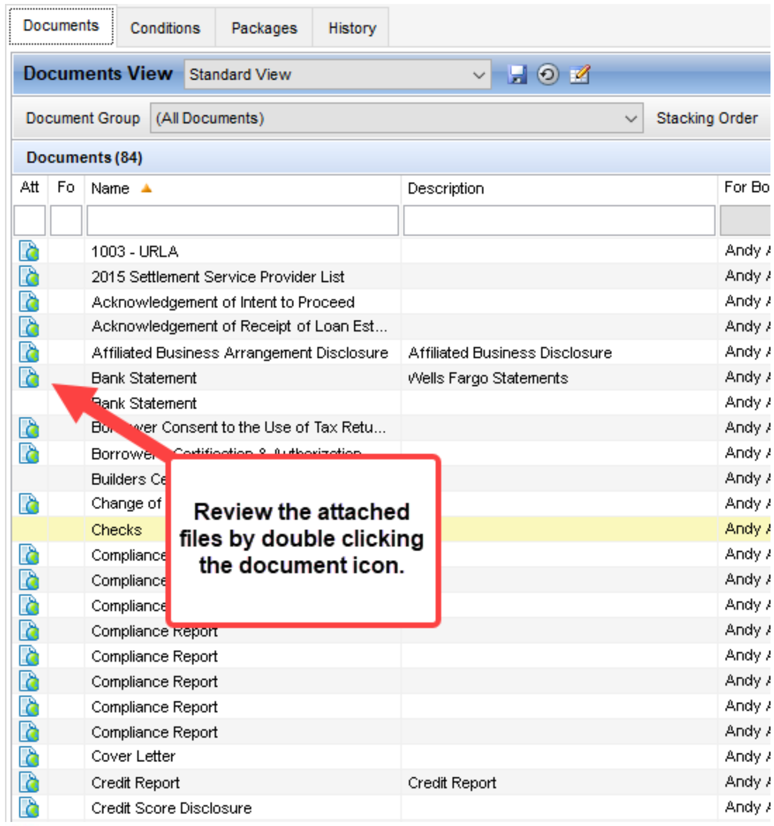
1

Go to the **eFolder** and open the documents tab.



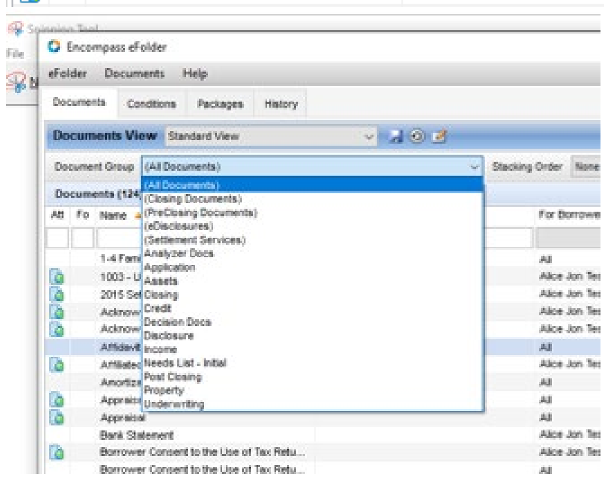
2

Review documents by double clicking on the document icon.



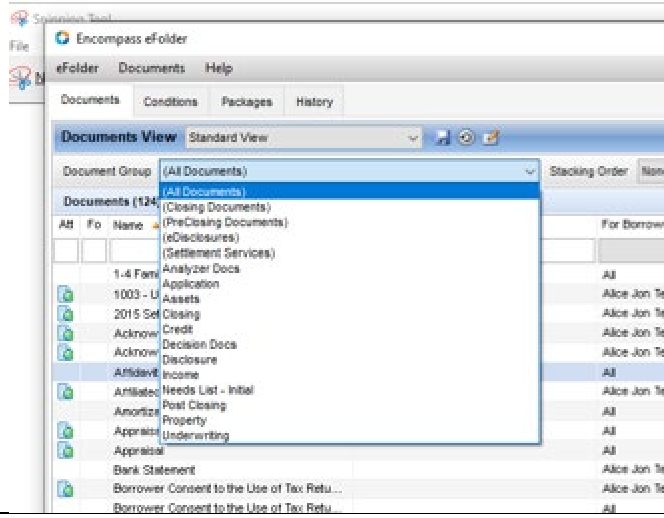
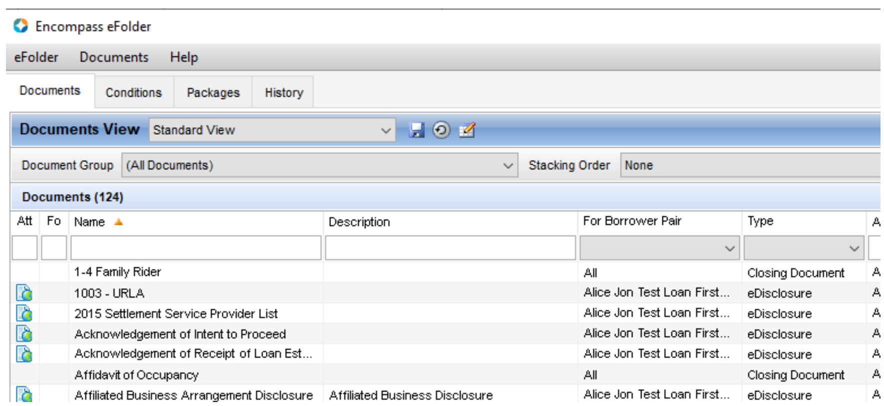
Within Documents, Open and Review the URLA, credit & AUS, income analyzer.

You can utilize the dropdown list to review specific areas.



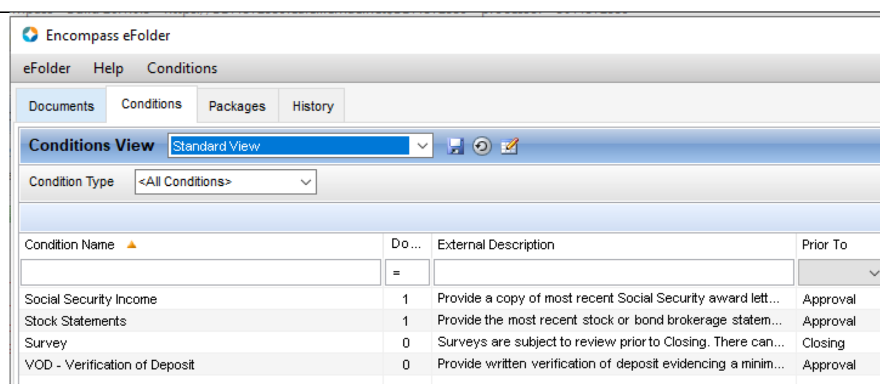
When reviewing the credit, if you are in a community property state and the loan is a government loan, confirm a credit report has been pulled for the non-purchasing spouse and liabilities are included in the qualifying ratios.

<table>
<tr>
<td>3</td>
<td>Review the documents in file for validity and to also determine if any additional documents are needed from the borrower.

Confirm the income, assets, and other documentation match the information within the URLA.</td>
<td>
</td>
</tr>
<tr>
<td>4</td>
<td>As you review your documents the loan specialist is responsible for linking documents to conditions, annotate within the description area.</td>
<td>
</td>
</tr>
</table>

Conditions

<table>
<tr>
<td>1</td>
<td>Go to Conditions, Review the corporate and branch underwriter conditions.

A full review of the AUS findings should be completed at this time.</td>
<td>
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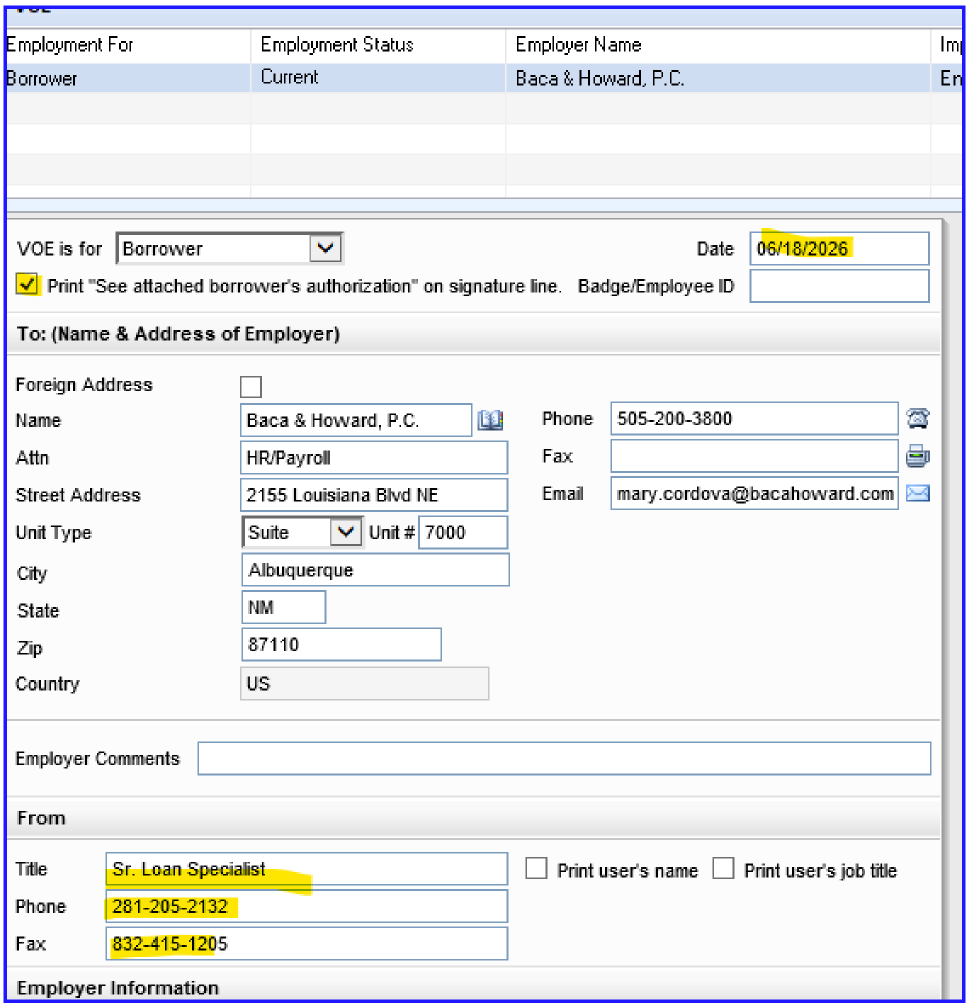
Encompass Verification Forms

VOE FORM DATA ENTRY



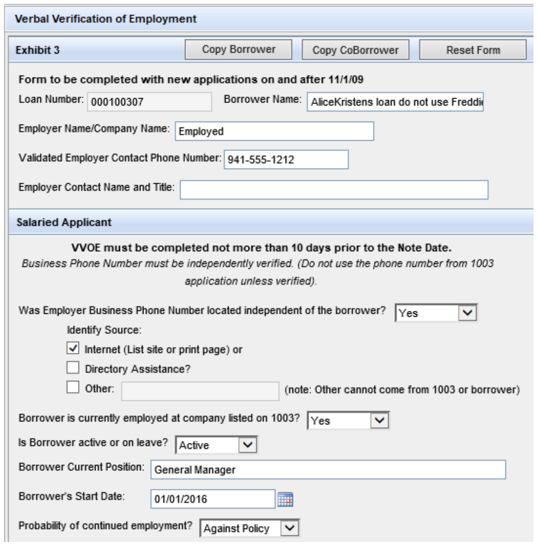
<table>
<tr>
<td>

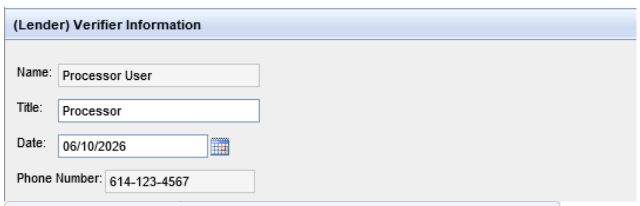
Verbal Verification of Employment

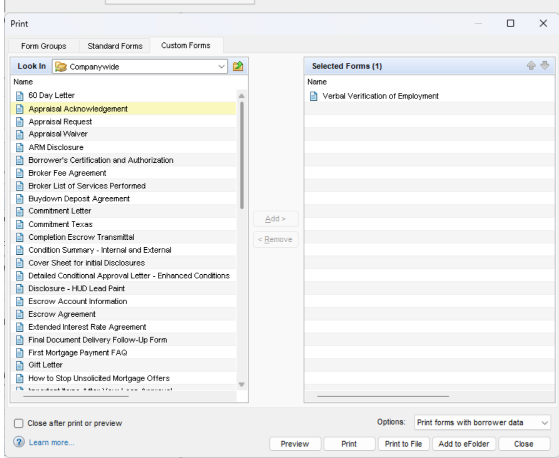
Use the Verbal Verification of Employment form to print a VVOE from Encompass:

- Copy borrower information
- Complete fields
- Print VVOE from the Custom Forms and send to eFolder
- Then file in the VVOE placeholder using File Manager

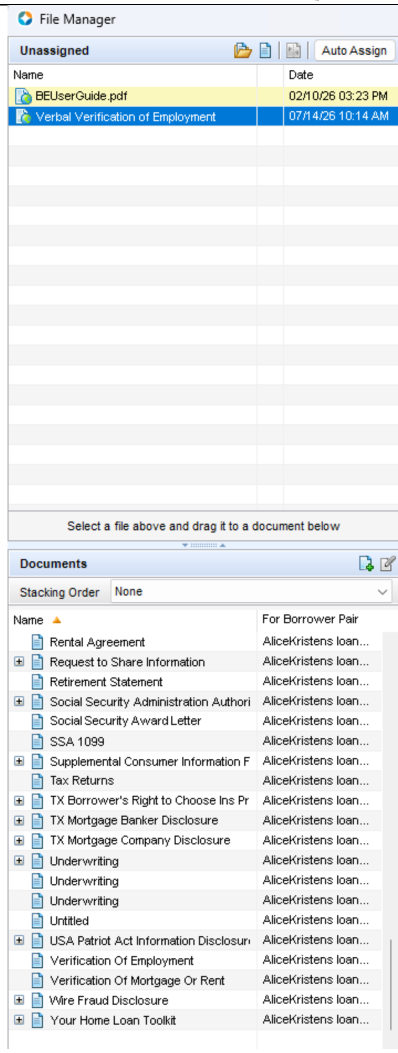
</td>
<td>



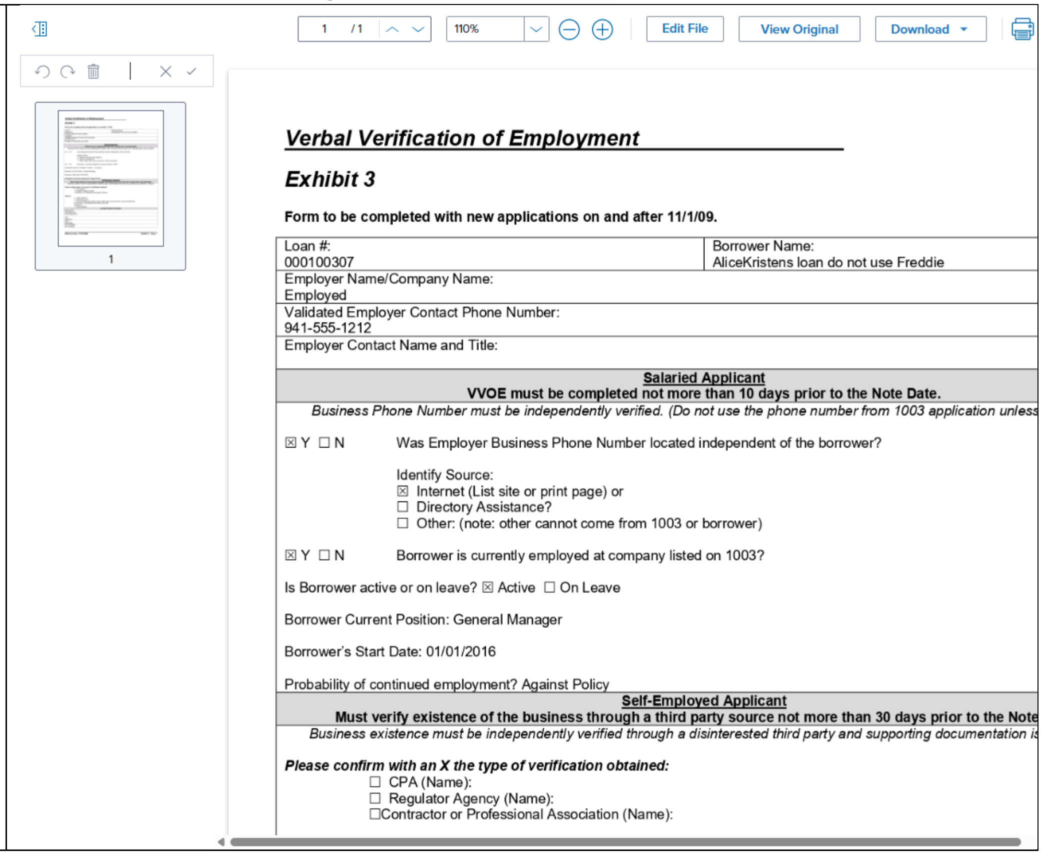




</td>
</tr>
</table>


File Manager
Unassigned
Auto Assign
Name
Date
BEUserGuide.pdf
02/10/26 03:23 PM
Verbal Verification of Employment
07/14/26 10:14 AM
Select a file above and drag it to a document below
Documents
Stacking Order
None
Name
For Borrower Pair
Rental Agreement
Request to Share Information
Retirement Statement
Social Security Administration Authori
Social Security Award Letter
SSA 1099
Supplemental Consumer Information F
Tax Returns
TX Borrower's Right to Choose Ins Pr
TX Mortgage Banker Disclosure
TX Mortgage Company Disclosure
Underwriting
Underwriting
Underwriting
Untitled
USA Patriot Act Information Disclosur
Verification Of Employment
Verification Of Mortgage Or Rent
Wire Fraud Disclosure
Your Home Loan Toolkit
AliceKristens loan...

Sample VVOE:



Verbal Verification of Employment

Exhibit 3

Form to be completed with new applications on and after 11/1/09.

Loan #: 000100307	Borrower Name: AliceKristens loan do not use Freddie
Employer Name/Company Name: Employed	
Validated Employer Contact Phone Number: 941-555-1212	
Employer Contact Name and Title:	

Salaried Applicant
VVOE must be completed not more than 10 days prior to the Note Date.

Business Phone Number must be independently verified. (Do not use the phone number from 1003 application unless

☒ Y ☐ N Was Employer Business Phone Number located independent of the borrower?

Identify Source:
☒ Internet (List site or print page) or
☐ Directory Assistance?
☐ Other: (note: other cannot come from 1003 or borrower)

☒ Y ☐ N Borrower is currently employed at company listed on 1003?

Is Borrower active or on leave? ☒ Active ☐ On Leave

Borrower Current Position: General Manager

Borrower's Start Date: 01/01/2016

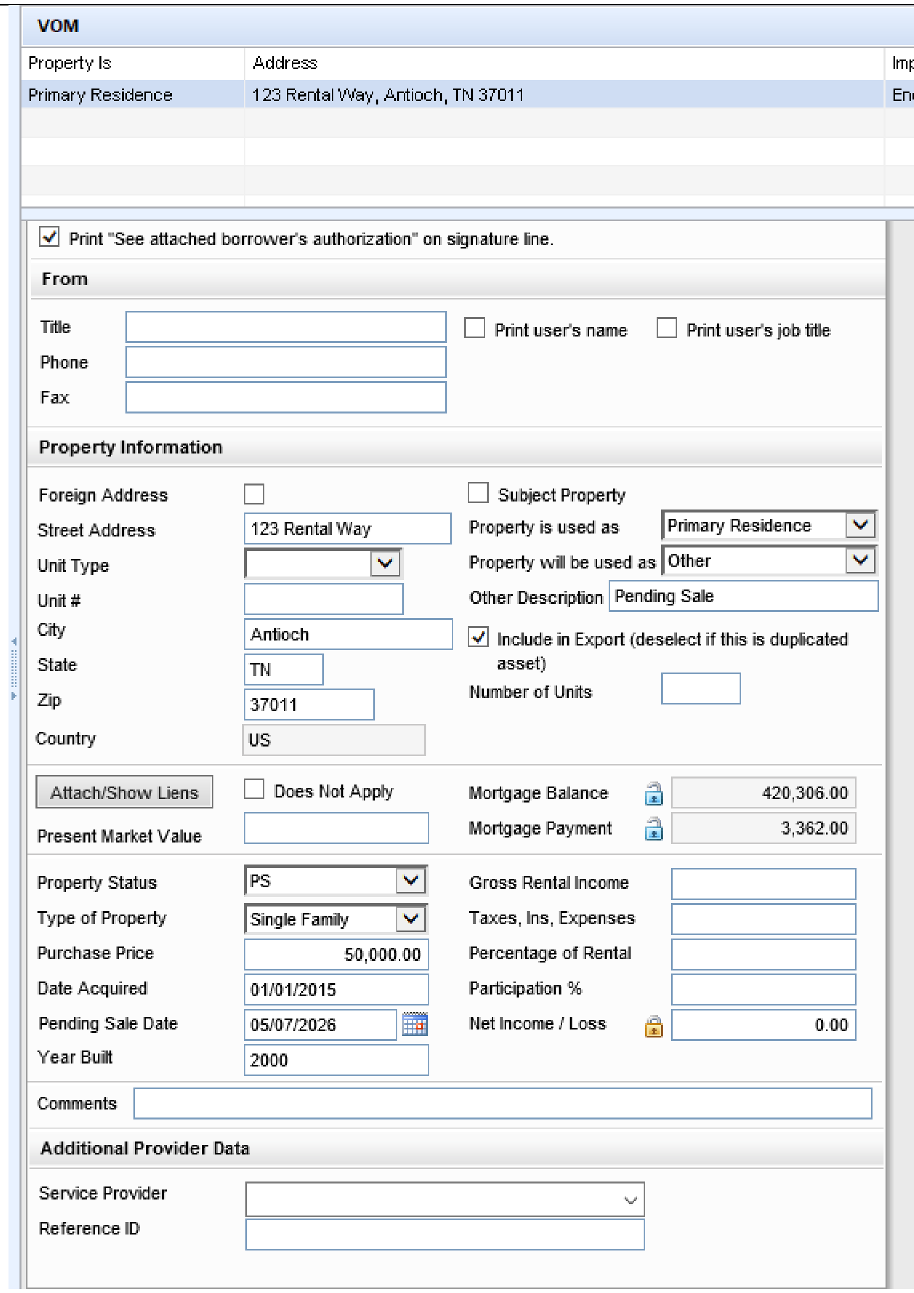
Probability of continued employment? Against Policy

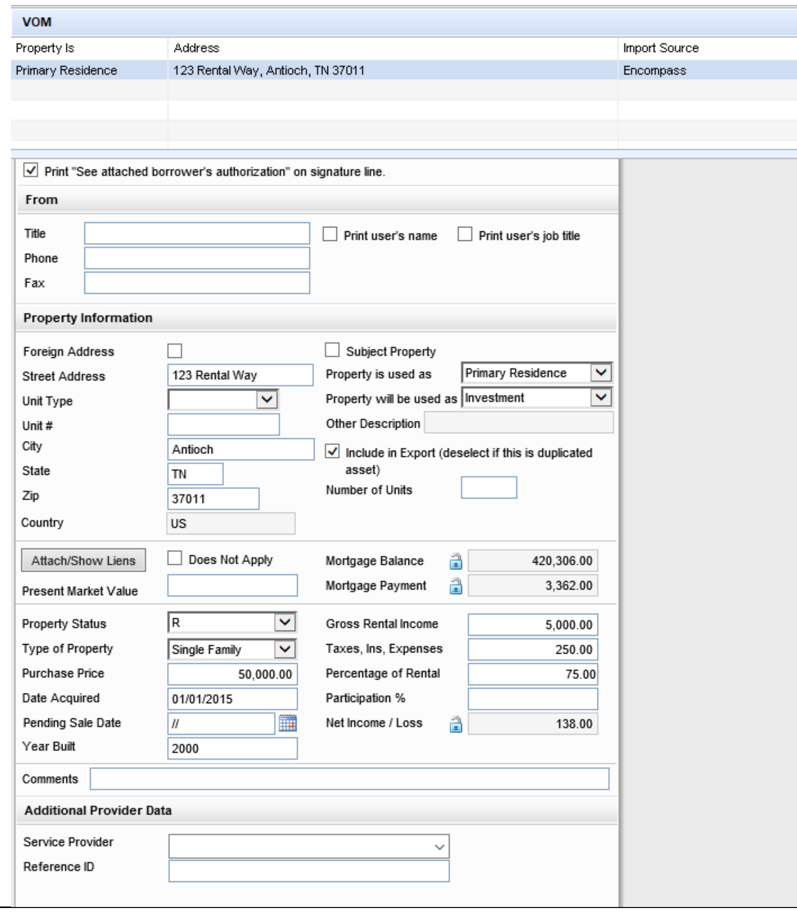
Self-Employed Applicant
Must verify existence of the business through a third party source not more than 30 days prior to the Note

Business existence must be independently verified through a disinterested third party and supporting documentation is

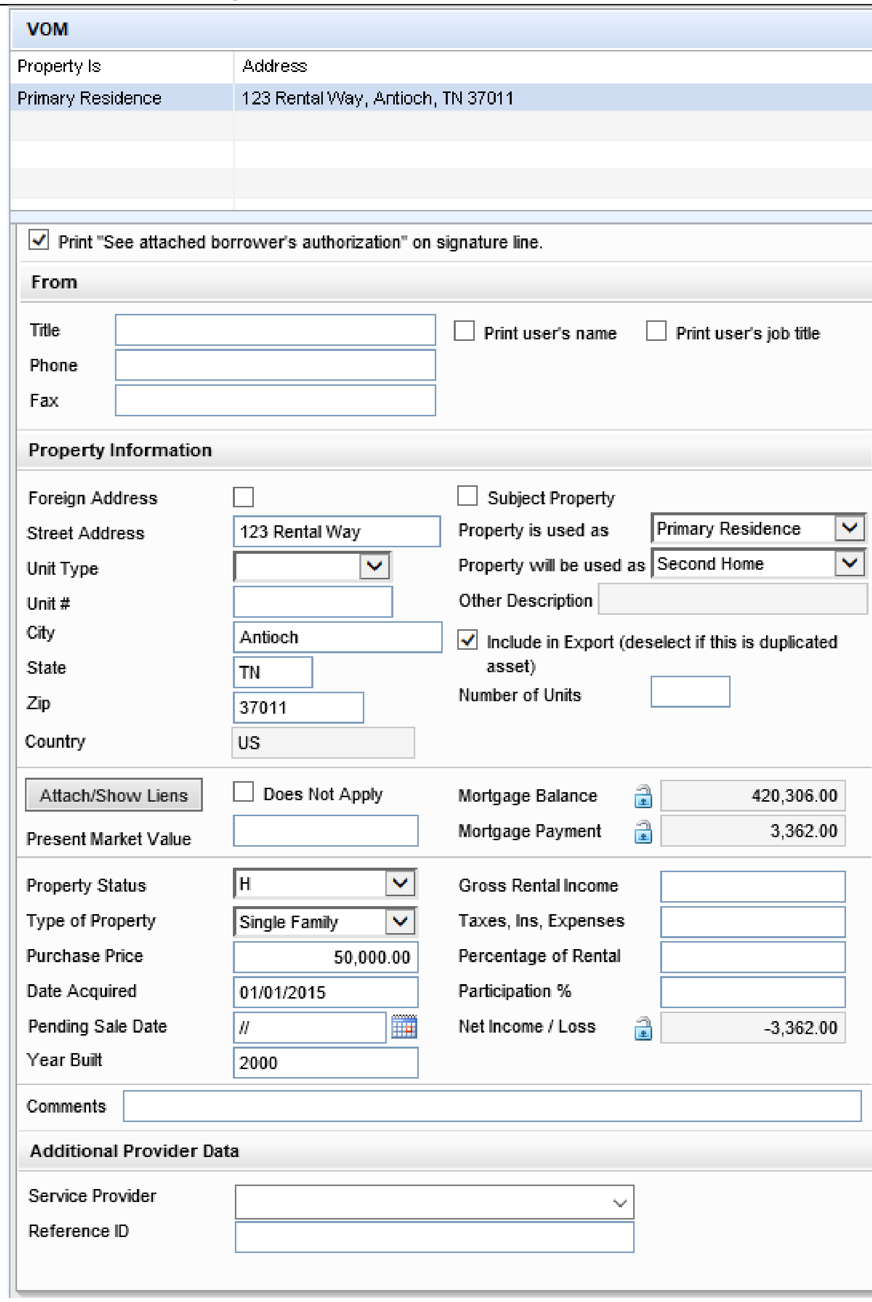
Please confirm with an X the type of verification obtained:
☐ CPA (Name):
☐ Regulator Agency (Name):
☐Contractor or Professional Association (Name):

Verification of Mortgage (VOM) Form

Verification of Mortgage (VOM) Form **1**	**VOM – Pending Sale & Back-to-Back** *Please note on Pending Sale homes, you will need to exclude the liability for ratios on VOL to read correctly. Tip: Using the VOM Form allows you to view the eFolder documents and URLA on a different screen.	

	VOM – Investment (Rental)	

VOM – Primary to Second



VOM

Property Is	Address
Primary Residence	123 Rental Way, Antioch, TN 37011

☑ Print "See attached borrower's authorization" on signature line.

From

Title: ☐ Print user's name ☐ Print user's job title
Phone:
Fax:

Property Information

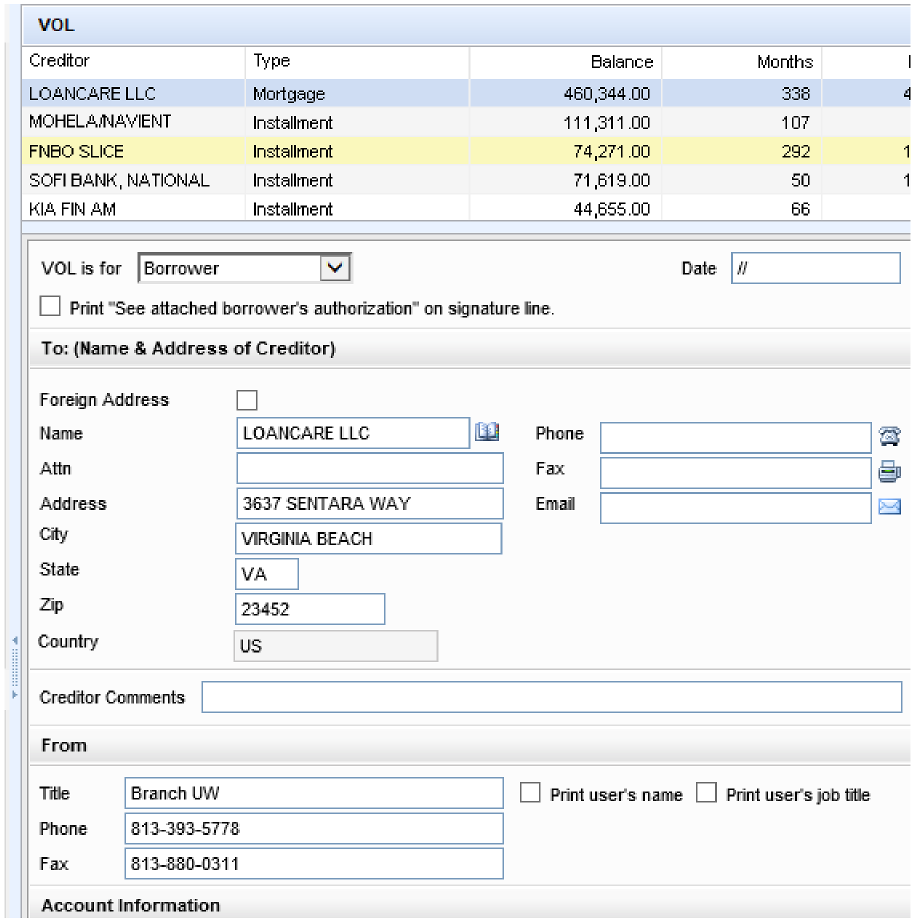
Foreign Address	☐	☐ Subject Property	
Street Address	123 Rental Way	Property is used as	Primary Residence
Unit Type		Property will be used as	Second Home
Unit #		Other Description	
City	Antioch	☑ Include in Export (deselect if this is duplicated asset)	
State	TN		
Zip	37011	Number of Units	
Country	US		
Attach/Show Liens	☐ Does Not Apply	Mortgage Balance	420,306.00
Present Market Value		Mortgage Payment	3,362.00
Property Status	H	Gross Rental Income	
Type of Property	Single Family	Taxes, Ins, Expenses	
Purchase Price	50,000.00	Percentage of Rental	
Date Acquired	01/01/2015	Participation %	
Pending Sale Date	//	Net Income / Loss	-3,362.00
Year Built	2000		

Comments:

Additional Provider Data

Service Provider:
Reference ID:

Verification of Liabilities

Step	Action	Screen Shot
1	To review your liabilities, use the VOL (Verification of Liabilities screen.) Tip: Using the VOL Form allows you to view the eFolder documents and URLA on a different screen. ▪ **VOL** – Cross reference the Credit Bureau to review liabilities.	

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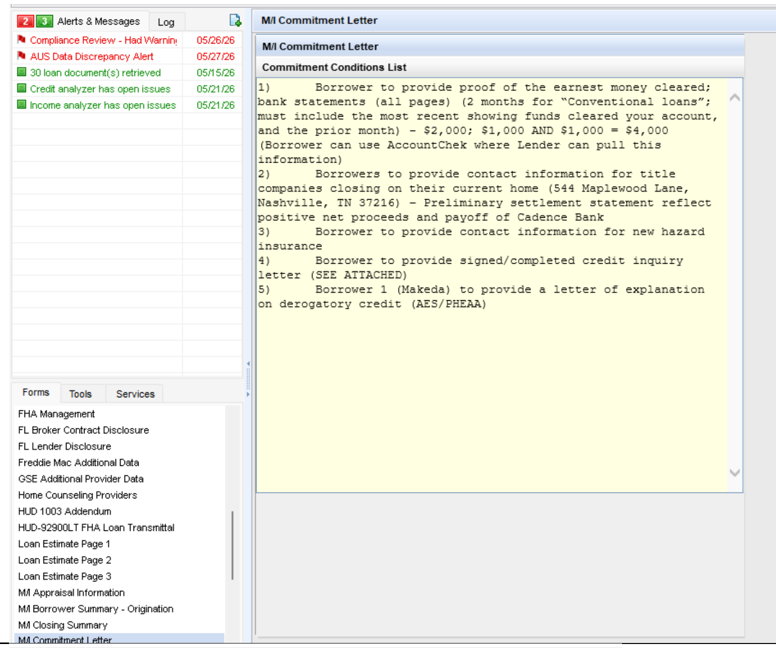
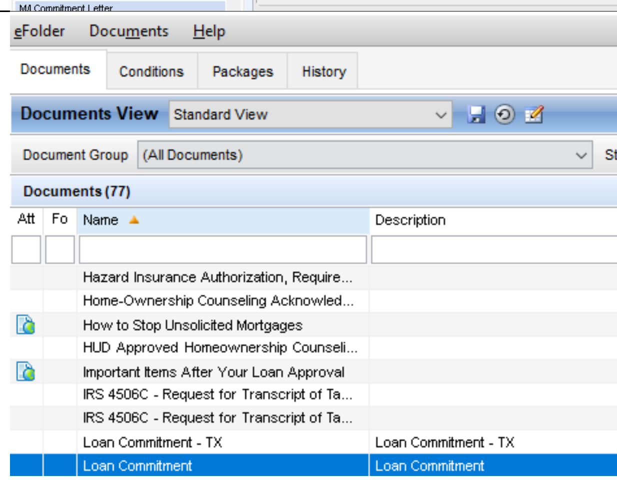
Generating & Sending Commitment Letter

1	Enter the conditions you are requesting from the borrower into the M/I Commitment Letter screen. This is a freeform entry. These conditions will print on commitment letter.	
2	Go to **eFolder**> Select **Loan Commitment** > Click **Request**	

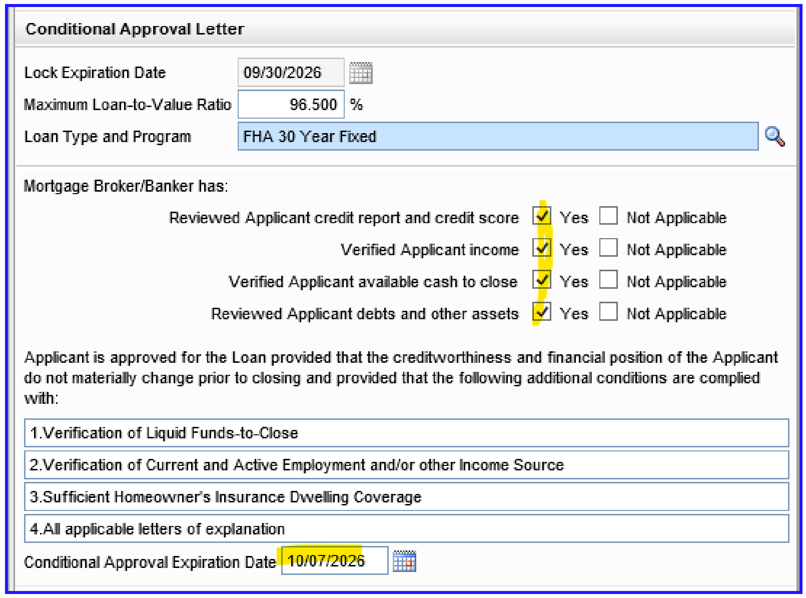
Texas Commitment Letters

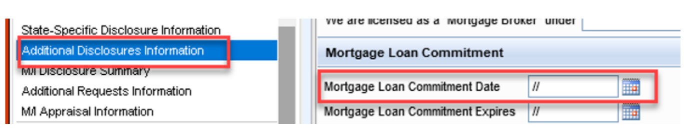
<table>
<tr>
<td>1</td>
<td>Texas Commitment Letters

You will enter the conditions in the State-Specific Disclosure form. These conditions are added to the commitment letter as a freeform entry.

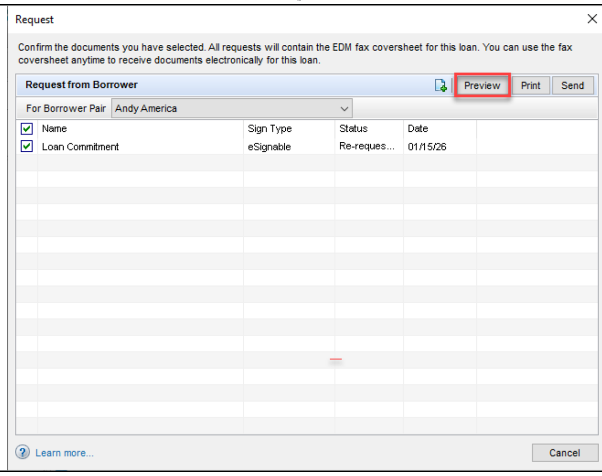
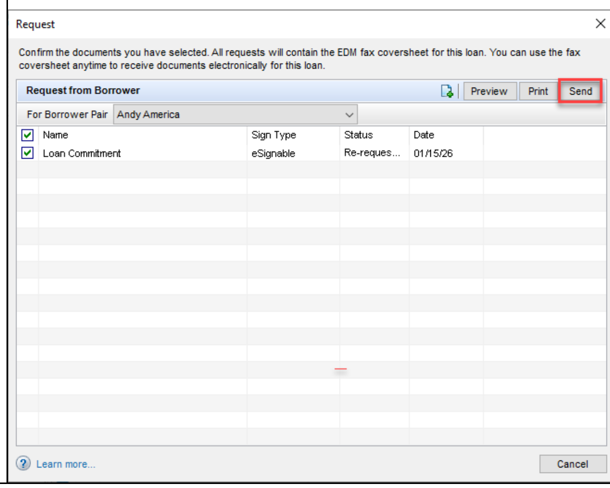
Go the eFolder and select Loan Commitment-TX and click request.

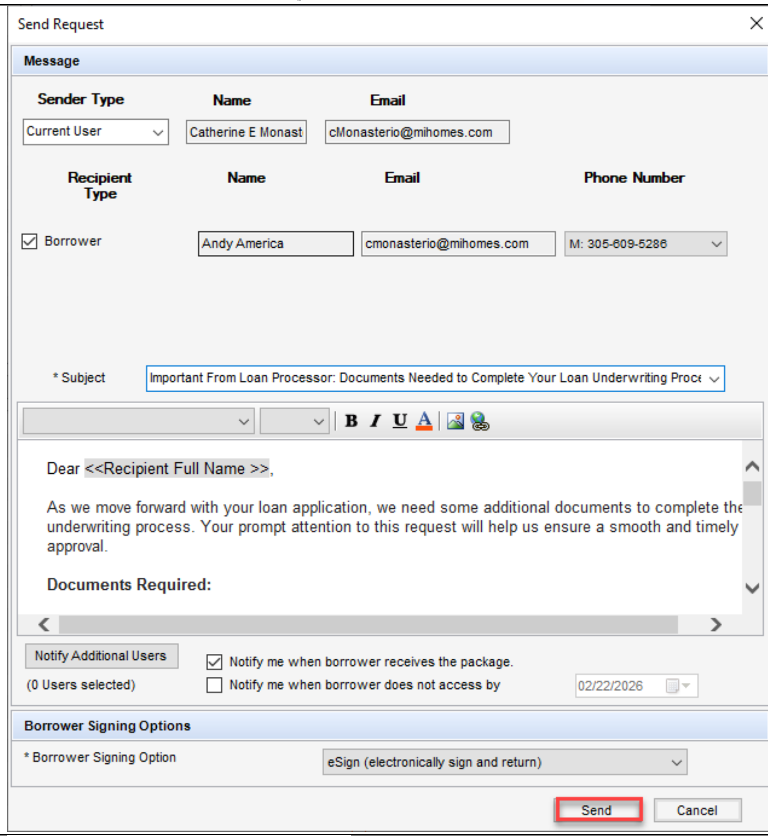
Follow the same steps as outlined in the commitment letter instructions for previewing, saving, and sending.

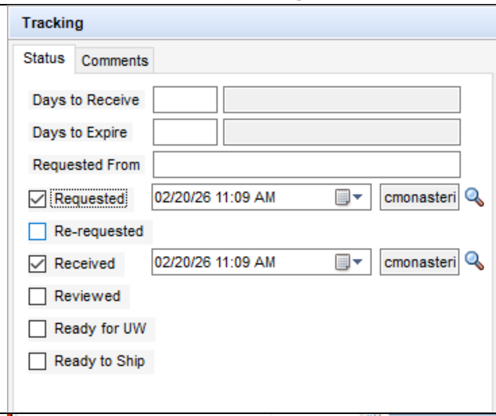
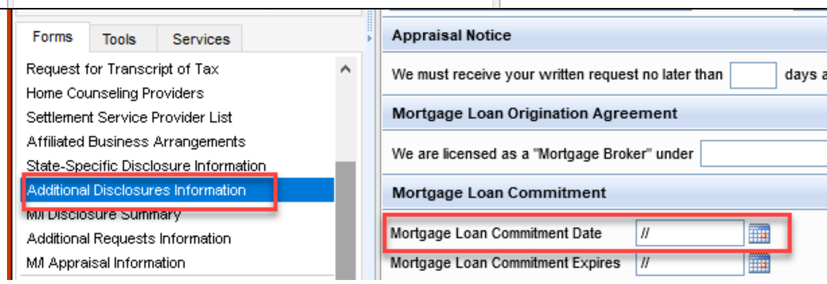
Confirming in additional disclosures information that the commitment date has been filled in.</td>
<td>


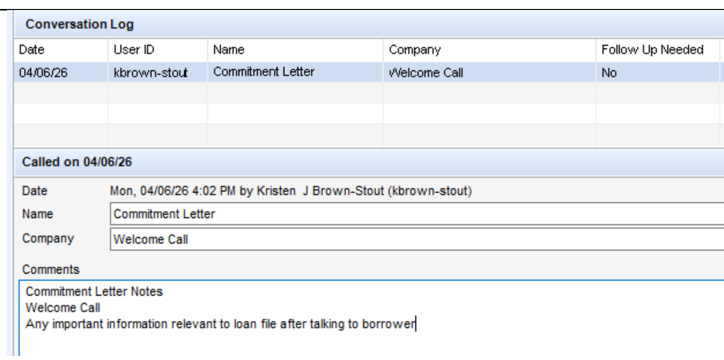


Please not - Texas loans ONLY: Both the Loan Commitment and Loan Commitment-TX documents should be sent to borrowers simultaneously.
</td>
</tr>
</table>

2	Click **Preview** to review the commitment letter. Locate and click save. File the document to a folder on your computer.	
3	Once you've saved the document, close the screen and click **Send**	

4	On the **Send Request** pop up, locate and click **Send**. This will send a copy of the commitment letter to the borrowers.	
5	Once you have sent the Commitment letter. Locate the **Loan Commitment** document placeholder and Click the **Folder** icon to select the saved Commitment letter and upload the copy to the **eFolder**.	 **Please note, a signed copy will automatically be uploaded into the document holder if the borrower executes the commitment letter.* ***An important reminder: It is imperative we delete all borrower documentation from our computers after it has been uploaded into loan files. Borrower documentation should never be stored on MIF employee computers.***

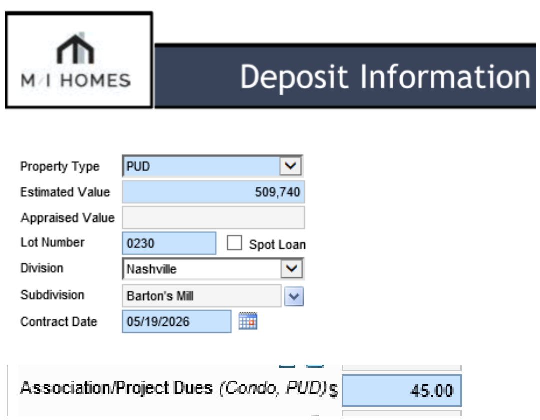
<table>
<tr>
<td>6</td>
<td>The Requested box will check when the commitment letter is requested using the Request button. The Received checkbox populates when a copy is placed in the document placeholder.</td>
<td>
</td>
</tr>
<tr>
<td>7</td>
<td>Once you have completed this step click Save. Then go to the Additional Disclosure Information form to verify that the Mortgage Loan Commitment Date and Expiration has successfully populated.</td>
<td>
</td>
</tr>
<tr>
<td>8</td>
<td>Document your welcome call conversation and sending of the commitment letter in the conversation log.

Use the follow up alerts to set reminders.</td>
<td>


</td>
</tr>
</table>

Processing the loan

Loan Processing – File preparation and Review

1	**File Preparation and Review** Whether the file is a Spec or a To-Be-Built, you will complete a full review of the loan file. The following steps will prepare the loan for branch underwriting review.	Similar to the preparation for the Loan Commitment in the above steps, you will review the loan file in great detail for accuracy.
2	**File Preparation**	Compare the earnest money deposit(s) and contract information found in PIVOTAL (Sales System) with the information in Encompass application and loan file. Check borrower(s) name(s), vesting, property information including sales price, lot number, subdivision name, HOA, and contract. Correct Encompass and upload any new or missing change orders and earnest money deposits. Upload copy of the property survey, if available, Builder's Certification and Plans and Specs for VA, if required. 

Income Review

<table>
<tr>
<td>3</td>
<td>Review of income

Income analyzer/Day One Certainty/ Manual Calculation

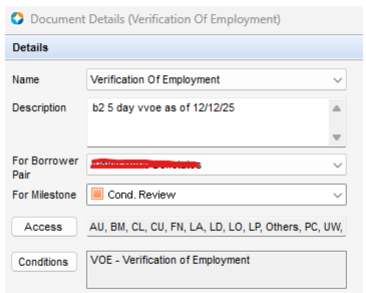
Self-Employment

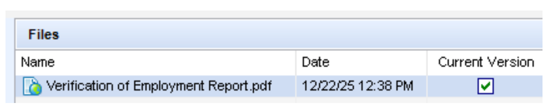
Rental Income

Income worksheets

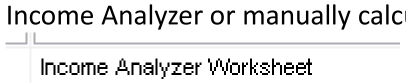
See below in Vendor Services for IA/TWN</td>
<td>Review the conditions in the eFolder as well as the AUS (DU/LP) findings to determine the requirements to document the income. Check the eFolder for sufficient supporting documentation received from the borrower(s). If documentation is not sufficient or will be prior to closing, make a comment in the conversation log and request from borrower.

As you review your documents you will link documents to conditions and annotate within the description area. Mark the most recent documents to be utilized as Current Version in Encompass.





Loan Specialists are responsible for ordering tax transcripts if utilizing any tax returns for income.

Income worksheets are required to be uploaded to the eFolder if using Income Analyzer or manually calculating income.


If manually calculating income (not using IA), please upload the income worksheet to the Income Calculation Worksheet document placeholder in eFolder.


Always reference Underwriting Manual to check to check if documents meet AUS/UW standards.</td>
</tr>
</table>

M/I FINANCIAL, LLC
A Subsidiary of M/I Homes, Inc.

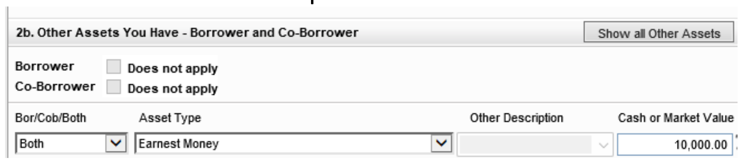
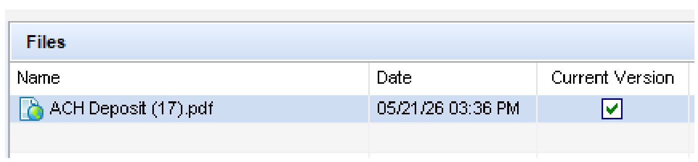
Asset Review

<table>
<tr><td>1</td><td>Review of assets

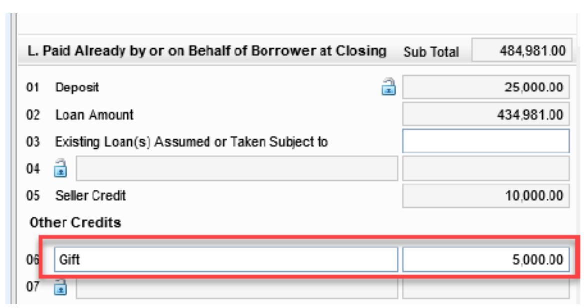
EMD deposits and general review of asset statements, matching accounts and amounts to the URLA, sourcing large deposits, and checking ownership.

All bank accounts should be listed individually.

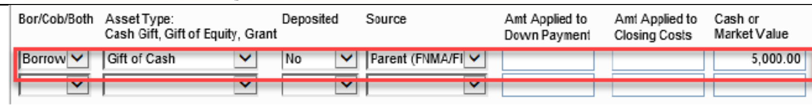
Check Current Version box for most recent bank statement that is being used.
.</td><td>As you review your documents you will link documents to conditions, annotate within the description area.

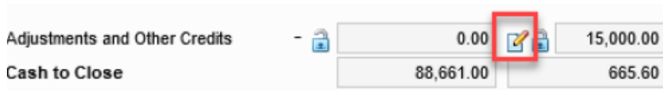
Check the contract so your earnest money deposit amount matches the total amount shown on Encompass.

Review all conditions, including DU findings, to determine the requirements to document assets. Verify supporting documentation received from the borrower(s). Thoroughly evaluate the asset documentation found in the loan file for completeness (all pages), large deposits (requiring source), URL addresses, names other than borrower(s), sufficient funds for closing, etc. If documentation is insufficient make a note to add to request from borrower.

Confirm you have all pages of the bank statements.

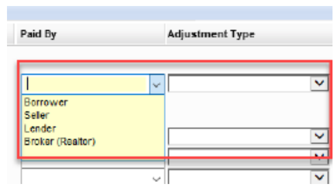
Page 4 of 4</td></tr>
<tr><td>2</td><td>Review for Gifts

Confirm if there are any gifts as a part of the purchase. Enter in the URLA part 4D and in the CD page 3, line L06.</td><td></td></tr>
</table>

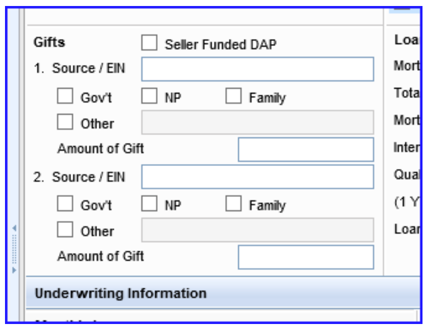
If the gift is paid at closing, the adjustment needs to be designated as **Borrower** in the CD page 3 paid by section.

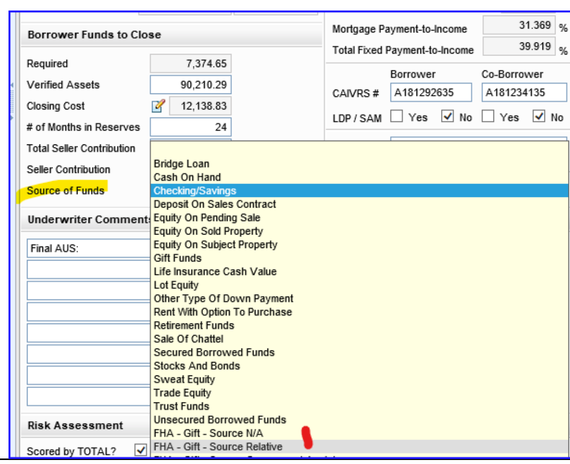






For FHA loans, it must also be entered on the HUD-92900T and source of funds marked as FHA-Gift-(Source)



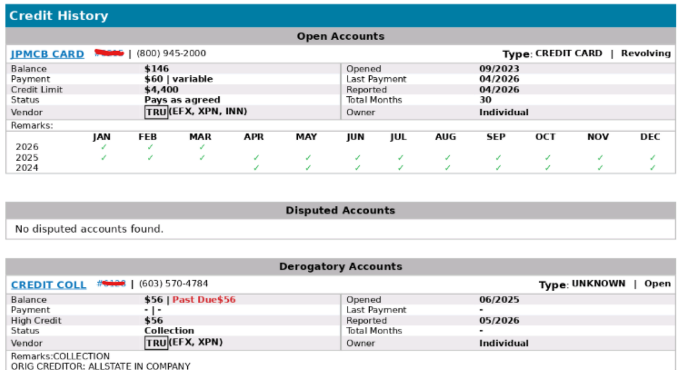
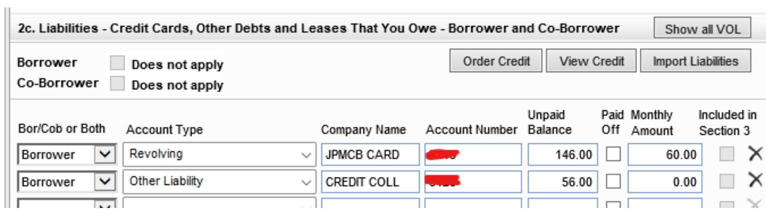


3	See below in Vendor Services for AccountChek instructions.	**Always reference the Underwriting Manual to check to meet if documents meet AUS/UW standards.**

Sales Contract

1	**Sales Contract, Addendums, and Earnest Money Review**	Review contract to confirm accuracy of sales price, property address, lot number, subdivision, earnest money deposits and borrower(s) names. Everything on the contract must match the loan application. **M/I HOMES PURCHASE CONTRACT** On a government loan (FHA, VA, and USDA), all purchasers listed on the contract must be borrowers on the loan application. Therefore, if a purchaser is not on our loan application, an addendum must be completed to remove the purchaser from the contract. However, a family member of a purchaser (including the purchaser's spouse), who is not a borrower, may be listed on the contract without modification or removal. Review earnest money checks and bank statements to determine if the check is shown clearing on one of the statements already in the loan file. If you are unable to show the check clearing, make a note to add to the conversation log for ease of discussion with the borrower.

Credit Report Review

1	**Review of Credit Report** Check that balances/payments match the URLA. Credit transfers Credit Inquiries Verify the “Credit Report ID” number is the same as on the AUS.	As you review your documents you will link documents to conditions, annotate within the description area. Thoroughly review credit report. Make a list of any derogatory information found (bankruptcy, foreclosure, short sale, etc.). Check for alerts, transferred accounts, and incomplete MERS research. Order any credit supplements and/or MERS reports that are required. Check file for sufficient supporting documentation from borrower(s).  Credit History Open Accounts JPMCB CARD [redacted] | (800) 945-2000 Type: CREDIT CARD | Revolving Balance $146 — Opened 09/2023 Payment $60 | variable — Last Payment 04/2026 Credit Limit $4,400 — Reported 04/2026 Status Pays as agreed — Total Months 30 Vendor TRU (EFX, XPN, INN) — Owner Individual Remarks: JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC 2026 2025 2024 Disputed Accounts No disputed accounts found. Derogatory Accounts CREDIT COLL [redacted] | (603) 570-4784 Type: UNKNOWN | Open Balance $56 | Past Due$56 — Opened 06/2025 Payment - | - — Last Payment - High Credit $56 — Reported 05/2026 Status Collection — Total Months - Vendor TRU (EFX, XPN) — Owner Individual Remarks:COLLECTION ORIG CREDITOR: ALLSTATE IN COMPANY  2c. Liabilities - Credit Cards, Other Debts and Leases That You Owe - Borrower and Co-Borrower — Show all VOL Borrower — Does not apply Co-Borrower — Does not apply Order Credit — View Credit — Import Liabilities Bor/Cob or Both | Account Type | Company Name | Account Number | Unpaid Balance | Paid Off | Monthly Amount | Included in Section 3 Borrower | Revolving | JPMCB CARD | [redacted] | 146.00 | | 60.00 | Borrower | Other Liability | CREDIT COLL | [redacted] | 56.00 | | 0.00 | The following Credit Report information is associated with this submission: **Borrower Name** | **Credit Agency** | **Credit Report ID** | **Credit Report Date** [redacted] | Factual Data | [redacted]181 | 05/11/2026 **Always reference Underwriting Manual to check if documents meet AUS/UW standards.**
2	**Credit Report Expires Prior To Closing**	If the credit report expires prior to closing or is expired, check the conversation log to see if your loan officer needed to be advised prior to the credit report being updated. The Loan Officer and Loan Officer Assistants LOA will be responsible for pulling, updating and reviewing credit. Pricing changes will also be handled by originating team. Loan Speicalists should not pull credit. Continue to review the credit report to determine what other changes occurred between the new report and the older credit report. Any new derogatory information found will need to be

<table>
<tr><td></td><td></td><td>addressed with the borrower(s).

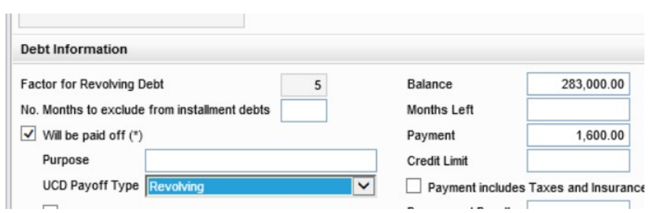
Check for alerts, transferred accounts, and incomplete MERS research. Order any credit supplements and/or MERS reports that are required.

Make any adjustments to the loan application that are required. Move old credit report to Recycle/Misc. Pull a new transmittal for the loan file. Run AUS (DU/LP).</td></tr>
<tr><td>3</td><td>Loan Specialists are responsible for reviewing all documents such as REO docs, and conditions listed by corporate.

Confirm that documents are marked current for most recent documents that are being used.</td><td>As you review your documents you will link documents to conditions, annotate within the description area.

Reviewing the eFolder to move any unneeded or duplicate documents to the recycle/misc document place holder. A clean file should always be presented when submitting the loan to any underwriter and for clear to close.

Always reference Underwriting Manual to check if documents meet AUS/UW standards.</td></tr>
<tr><td>4</td><td>Liabilities that are to be paid at closing will need to be marked within Encompass and a current statement obtained. Complete the Payoff Amount</td><td>In the URLA, VOL, you update the payoff amount and balance.



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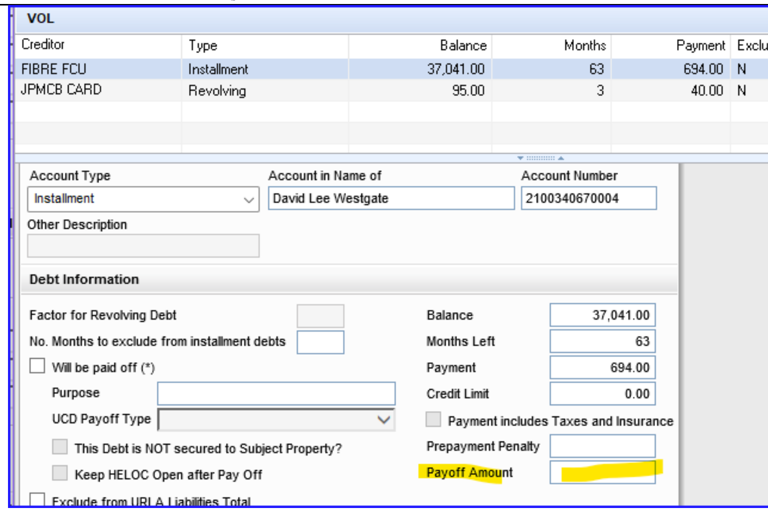
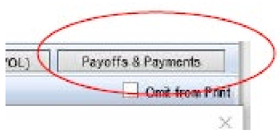
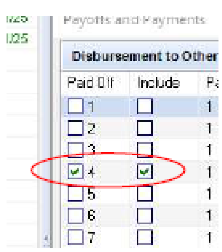
</table>

The statements will need to be uploaded the closing conditions placeholder in the eFolder.



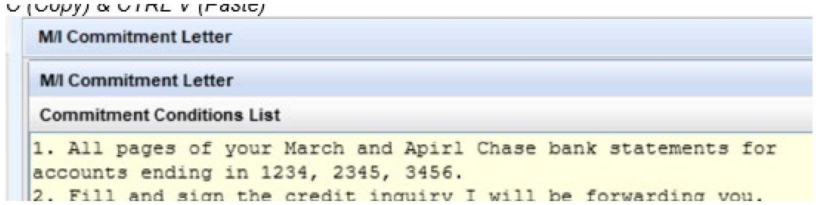
In Closing Disclosure Page 3, confirm in Payoffs and Payments that the debt is marked to be paid off and included. This will allow the correct amount of cash needed for closing.



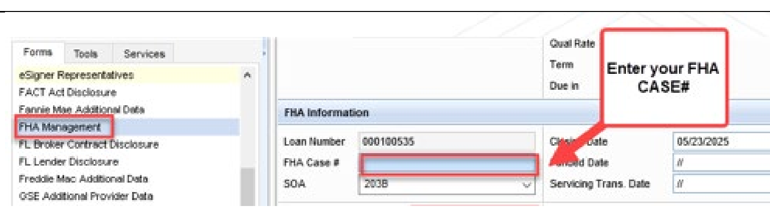


5	After updating the information in the LOS, rerun transmittal and AUS making sure everything matches.	After making corrections required from your review of the loan application and loan file, run AUS to determine if the loan is still approvable. Review findings for accuracy and make any corrections, if necessary and rerun. If there are issues and you are unable to resolve the issues, see your operations manager for assistance. All AUS runs should remain in the same eFolder, dated for AUS run date, and mark the current button for the most recent.

60-Day Update

1	Once you have completed your review of the documents currently in file, 45 to 60 days prior to closing you will send out an update letter (60-day letter) to the borrower for items needed. This can be sent in the same process as the commitment letters are sent as previously illustrated.	**60-Day Letter** Items that are needed from the borrower can be added within the **M/I Commitment Conditions** Form.  Once the 60-Day letter is sent to the borrower, it should always be followed up with a phone call to the borrower, summarizing the items needed.

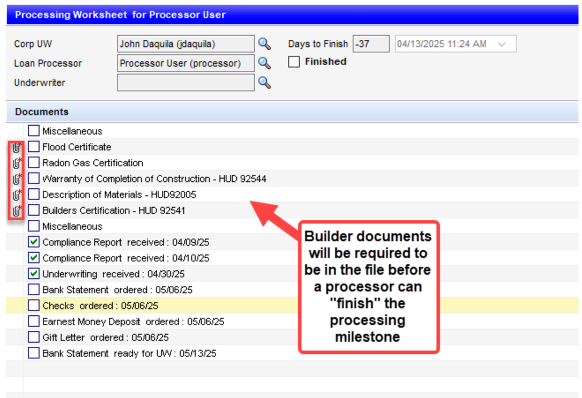
FHA & VA Ordering

1	**FHA/VA** Ordering of case number, CAIVRS, case query. Request for builder docs and adding case numbers to the system.	 Order the FHA Case Number within Encompass to include all borrowers and property address (no lot/subdivision). Once obtained, upload the case number assignment to the loan file. Enter the case number into the LOS. Run the case query and upload to the loan file. Please note, it can take up to 24 hours to receive results of the case query. You must have a clear case query, and all borrowers must be validated before you can order the appraisal. Double check your suffix on 703 and 796, in case there is a buydown.

<table>
<tr><td></td><td>Adding case numbers and CAIVRS to the Encompass system

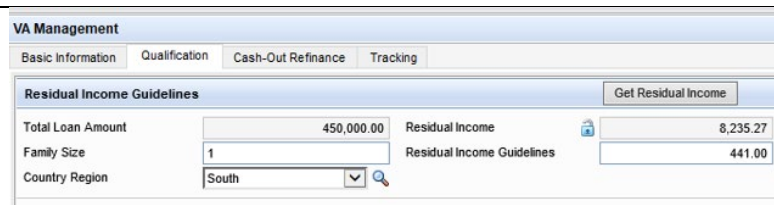
Add builder signed Warranty of Completion to closing conditions.

Complete the Processing Worksheet, documents for the builder documents received.</td><td>

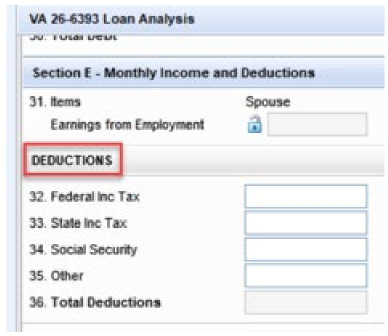


The case number, case query, CAIVRS, and Builder documents should be uploaded to the eFolder.</td></tr>
<tr><td>2</td><td>VA - COE</td><td>The loan officer is responsible for submitting the initial request for a COE. If the Veteran is in the VA system, a COE should be available instantly. If the Veteran is not in the system, a new application will need to be completed from the information contained on the 29-1880. The loan officer will be making a comment in the conversation log requesting you to complete the new application when required. Order the COE for the Veteran, using the 29-1880 found in the eFolder and advise the loan officer when obtained.</td></tr>
<tr><td>3</td><td>VA Management

VA family size needs to be entered into the VA management screen. Upon completion, select the Get Residual Income button to have income carried over.

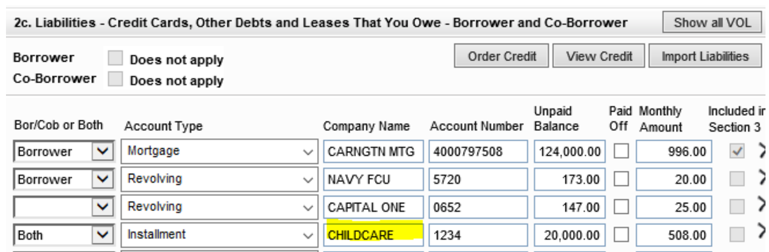
A paycheck city calculation will need to be completed, and the borrower's</td><td>
</td></tr>
</table>

deductions will need to be added to the VA Loan Analysis.



A Loan Specialist is responsible for entering the CAIVRS number for each borrower pair.

If it is discovered that the borrower has childcare expense, the loan specialist should add the amount into the liabilities.

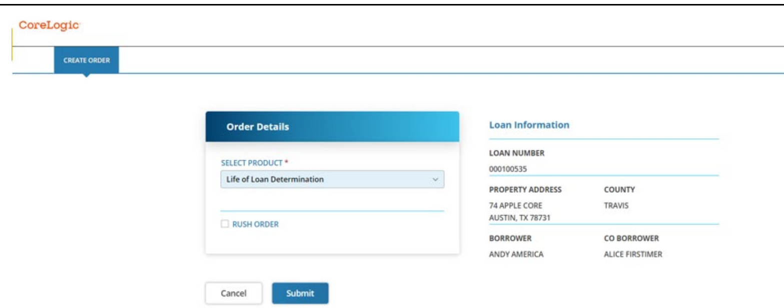


Ordering Flood Certification

1 **Ordering Flood Certification**

Review the M/I Borrower Summary – Origination versus the sales contract to confirm property information is accurate.

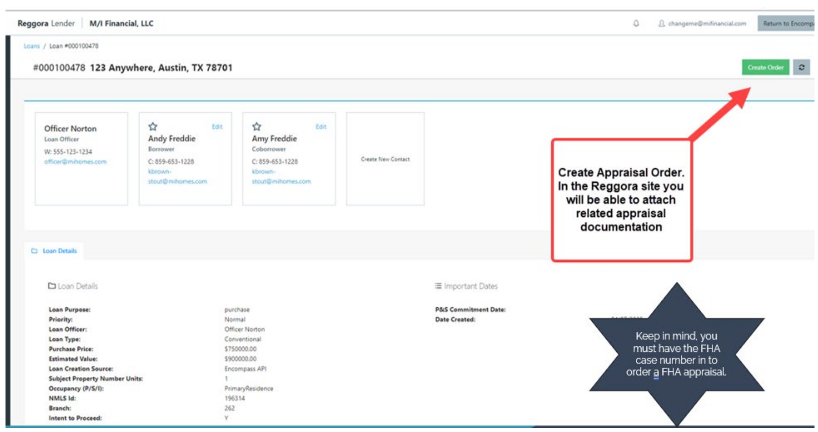
Ordering flood should be completed prior to ordering the appraisal,



Encompass enters all the flood certificate information into Encompass. This is necessary for the data transmission to our loan servicer. Closing documents cannot be drawn if the flood information has not been loaded into the Encompass. If the flood request into research, mark your calendar to

	approximately 45 days from closing.	check on the flood request the following day. Review the flood certificate and immediately address any issues. If your flood request went to research, double check the property information screen to confirm the flood information was carried over correctly.

Requesting Appraisal

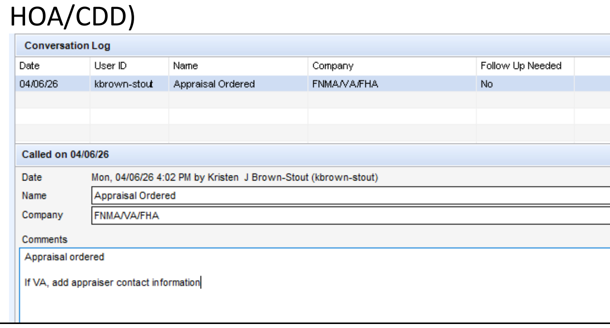
1	**Requesting Appraisal** You will need to attend weekly pipeline meetings with your operations team. The BM/OM will notify you after their backlog meeting with the builder of when is the best time to order the appraisal. For conventional it is usually 45 days out from closing date. Conventional and FHA appraisals are ordered through Reggora. Reggora needs the HOA fees and dollar amount for the seller concession information which is added in notes after order is placed. Supply builders contact within the notes. VA appraisals are ordered through the VA website and loan specialist will	 **Appraisal Orders Document Checklist** **ALL Appraisals** • Change Orders / Sales Contract Addendums - Newest one first (fully executed) • Sales Contract (fully executed) • Plot Plan/Survey/Plat • Flood Cert • Verify HOA dues in Encompass are accurate before requesting appraisal. • Verify the sales price in Encompass matches the Purchase Agreement and Addendum to Sales Contract. **FHA Appraisals** • FHA Case Number Assignment – index under Case # assignment

<table>
<tr>
<td></td>
<td>need to update the order in Reggora.

Make sure all uploaded Builder documents are completed prior to uploading. For example, enter address, FHA Case Number, LAPP number, signature of the builder, dates, etc.

Always document in the conversation log that the appraisal has been ordered.</td>
<td>• Builder Certifications (Make sure to enter the FHA Case # and add “703” at the end) o HUD – 92541 Builder Certification (all 3 pages required)
o HUD - NPMA- 99A & 99B (Subterranean Termite Protection Builders Guarantee & New Construction Subterranean Termite Service Record)
o Building Permit from the county of record
o Plot Plan
o Copy of the blueprints - The blueprints are required for appraisals where the building is not yet complete.
o Warranty of Completion
o Additional Builder Certs FHA ONLY: • Carpet Certificate
• Insulation Certificate

• Case Query – index under “Case Query” – please have this in the file prior to appraisal request.

VA Appraisals
• VA 1805 uploaded to file – index under “VA Request for Determination of Value.”
• Builder Certifications (Make sure to complete by entering the LIN#) o HUD – 92541 Builder Certification (all 3 pages required)
o HUD - NPMA- 99A & 99B (Subterranean Termite Protection Builders Guarantee & New Construction Subterranean Termite Service Record)
o Building Permit from the county of record
o Plot Plan
o Copy of the blueprints - The blueprints are required for appraisals where the building is not yet complete.
o Warranty of Completion
o Additional Builder Certs - VA ONLY: • Solder & Flux Letter
• Radon Notice
• Private Road Agreement (When applicable – Roads Maintained by HOA/CDD)

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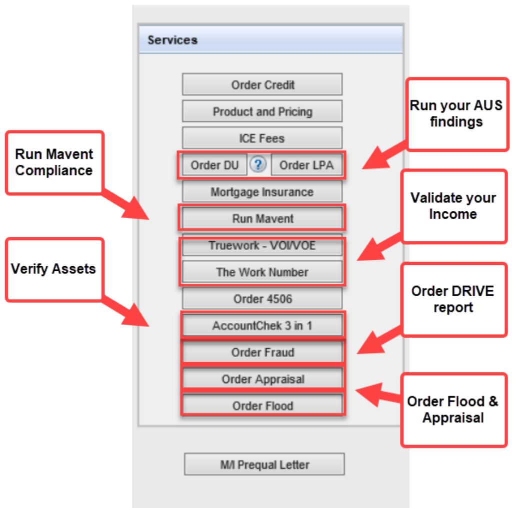
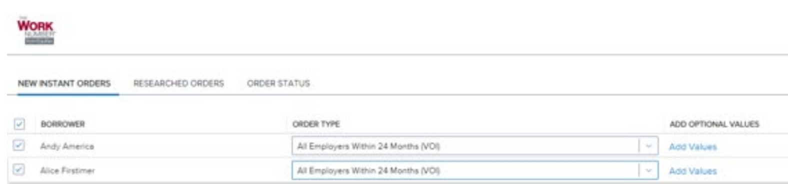
</tr>
</table>

Vendor Services

1	**Vendor Services that are run throughout the processing of the loan:** WVOE: Work Number, Truework o AccountChek o DataVerify DRIVE o MI Center o Income Analyzer o Transcripts o Mavent (Compliance)	

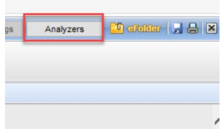
The Work Number

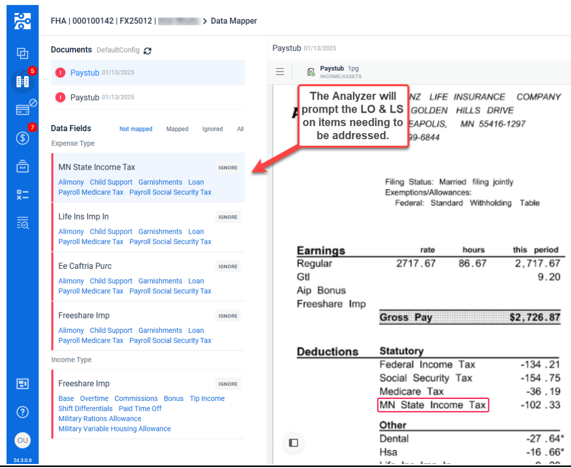
1	**Vendor Services – The Work Number and/or Truework** Check the loan file to determine if a VOI was previously ordered and if it needs to be updated. Thoroughly review the AUS (running AUS after all vendor services are complete) in order to confirm an income validation. Match the start and potential end dates and job title from TWN or TrueWork to the URLA.	 If you do not get D1C and are utilizing income Analyzers, you will pull from the eFolder the TWN from Verification documents, save it as a .PDF and upload as Verification of employment in order for IA to review and read the income. Please note that TWN VOE's come into the EFolder labeled as Verifications. These will need to be uploaded into Written Verification of Employment or Verbal Verification of Employment

The Income Analyzer

<table>
<tr>
<td>1</td>
<td>Vendor Services – Income Analyzer

If a borrower does not have Day One Certainty with AUS, we should make every effort to have the Income Analyzer validate the income.

Reviewing of income manually or through analyzer requires an income worksheet to be input into the eFolder.</td>
<td>




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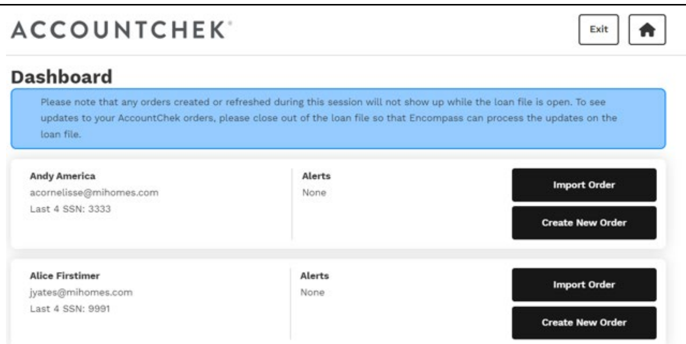
</table>

AccountChek

<table>
<tr>
<td>1</td>
<td>Vendor Services – AccountChek.

It is best practice when following up with the borrower to recommend the borrower uses AccountChek for their assets.</td>
<td>


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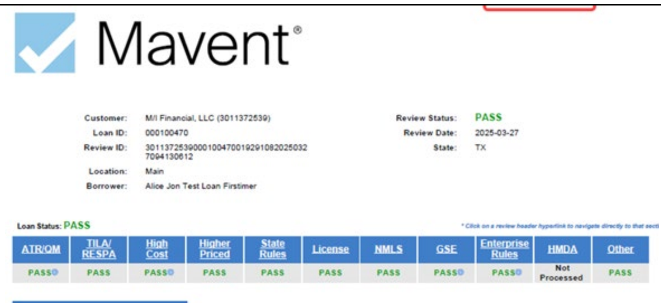
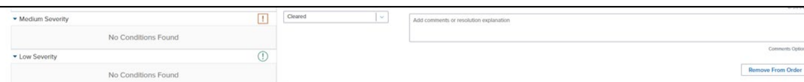
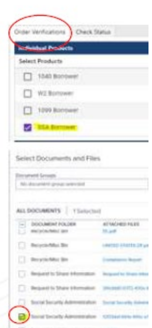
Mavent

1	**Vendor Services – Mavent** Should be run during the processing of the loan and the loan cannot proceed with a FAIL. Prior to submitting the loan to the closing department, you must have a PASS. *Please note in the cases of CD CIC, you may receive a FAIL until redisclosure.	

DataVerify

1	**Vendor Services – DataVerify/Fraud** This should be reviewed, updated, and cleared for any conditions that are red or yellow.	 These items must be addressed with the borrower(s) to determine if they are accurate and if applicable add to the loan application and obtain supporting documentation. If supporting documentation is required, upload the documentation to the appropriate place in the loan file. A complete copy of the report must be uploaded to Encompass.

Transcripts & SSA

1	**Vendor Services – 4506 – Ordering Transcripts and/or Social Security Verification.** The loan specialist is responsible for confirming the 4506 has updated and	  

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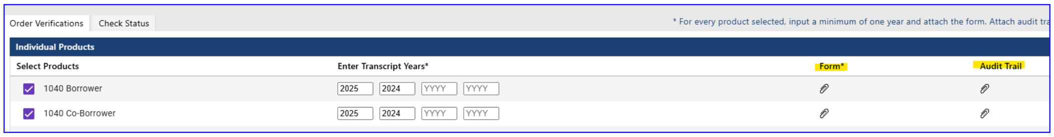
<td></td>
<td>
accurate information, inclusive of years needed, for ordering any personal or business transcripts as listed on the AUS and/or underwriting guidelines. Confirm this information in Request for Transcript of Tax

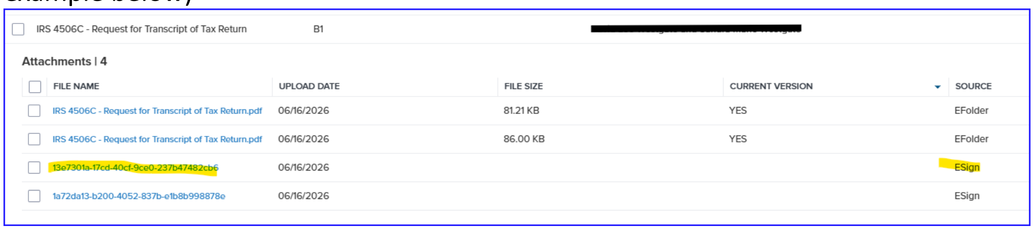
AUS may require the social security number of your borrower to be validated, the processor is responsible for clearing DataVerify.

Both the transcripts and social security verification will upload to the verifications folder in the eFolder.
</td>
<td>

Confirm in Request for Transcript of Tax, the 4506 personal and business have the correct years and tax form numbers.

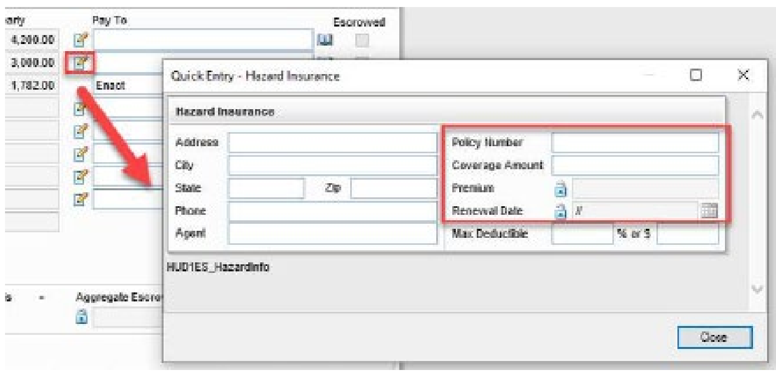


The audit log will always be the document named with numbers and letters (see example below)

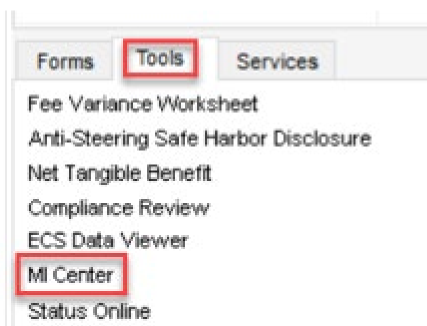


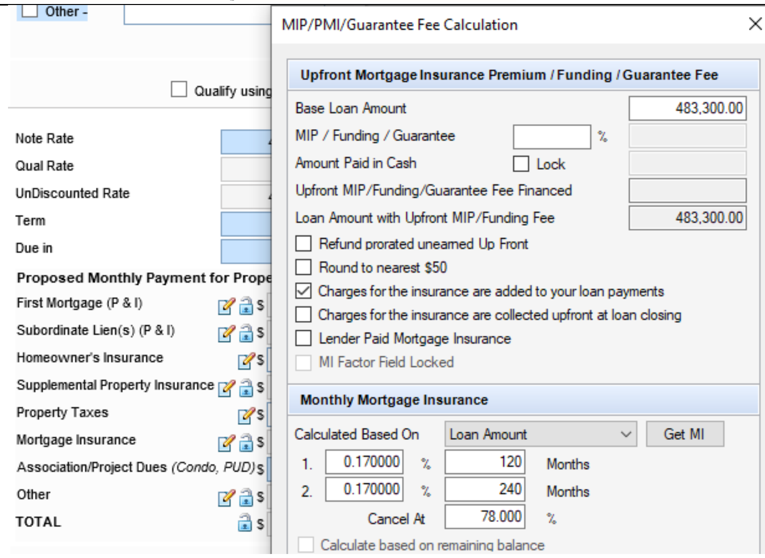
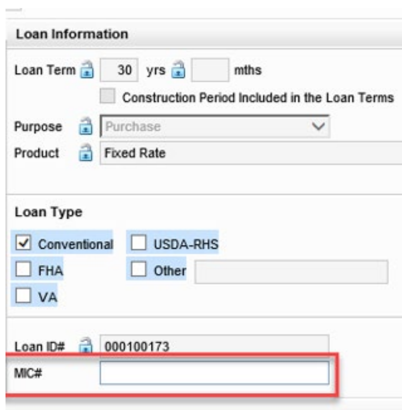
Once the transcripts are received, you must immediately review and compare to the information contained in the tax returns provided by the borrower(s). An accurate validation occurs when all figures match and nothing new has been discovered. Transcripts upload to the loan file. An inaccurate validation occurs when the figures do not match and/or new information has been discovered, such as: business expenses, another business (not disclosed), childcare expense (critical on VA loan), etc. The issue must be dealt with immediately. The income may need to be recalculated, if necessary, utilizing Income Analyzer and possible resubmission to Corporate Underwriting. Correct the loan application and pull a new transmittal. AUS will need to be rerun to determine if the loan is still approvable. Review findings for accuracy and make any corrections, if necessary and rerun. If there are issues and you are unable to resolve the issues, see your Operations Manager for assistance.
</td>
</tr>
</table>

Homeowners Insurance & Flood Insurance

1	**Requesting Homeowners Insurance** The insurance request form is located under the print button, custom forms, Insurance Request-Hazard. The loan specialist is responsible for updating the Hazard Insurance company name of the Tools/File Contacts screen. The loan specialist is also responsible for updating the policy information in Forms, Aggregate Escrow Amount.	Contact the insurance agent you obtained from the borrower(s). Request the homeowner's insurance policy for the borrower(s). Provide the closing date (estimated date, if closing date is not available) and get their email address so that you can follow up with the "Hazard Insurance Request" form. Let the agent know the requirement for the policy to be in our office a minimum of 15 business days prior to closing. The form will have all the information the agent should need to issue the policy. Once the closing date is set, contact the agent for a policy date revision if the date on the policy is greater than 10 days prior to the actual closing date or the date is after the actual closing date. 

Mortgage Insurance

2	**Requesting Mortgage Insurance** If the conventional loans Loan to Value is more than 80%, mortgage insurance is required. It is the loan specialist's responsibility to order mortgage insurance. This is to be completed prior to submitting the loan to closing. It is the processor's responsibility to obtain the mortgage insurance certificate and confirm the information matches in Encompass. Confirm	

	accuracy of the coverage amount, renewals, and the renewal type. The Loan Officer (or LOA) will order Mortgage Insurance from the same company used when preparing the Loan Estimate (a mortgage insurance quote with this information will be in the eFolder). This will prevent any violations due to an increase in the APR (Annual Percentage Rate). When a quick answer is required so that a closing package can be worked on, the insurance can be issued subject to an appraisal. The Loan Specialist puts the Certificate number in Encompass in the Closing Disclosure Page 1, under the MIC # Field	 

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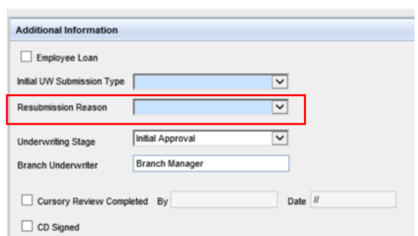
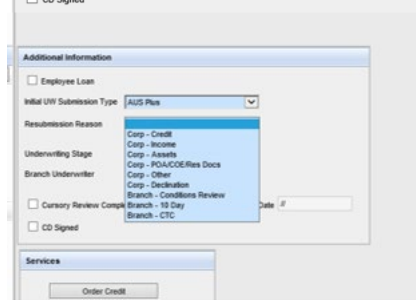
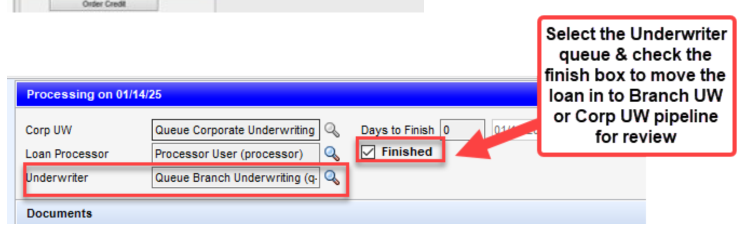
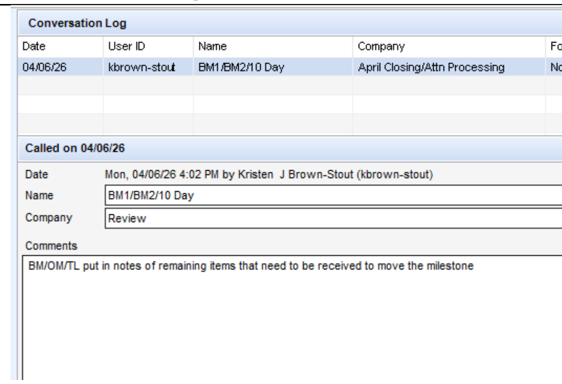
Branch Underwriting

1	**Submitting your loan for review to Branch UW for BM1/BM2 or 10-day review** When you are submitting a file for condition sign off, the expectation should be for the documents in the eFolder to be attached to the condition in the file. For the resubmission to branch or corporate underwriting for review, you will select from the resubmission reason dropdown the reason for the review. You would choose one from the selected dropdown. Assign the underwriter in the milestone to your branch underwriter, complete the milestone and save the file before exiting. Conversation log is to be completed with the request of submission, designating what you would like the branch underwriter or corporate underwriter to review and	**When you are submitting your loan for review to branch underwriting, you will need to pull an updated AUS and 1003 Loan Transmittal and confirm your information is accurate and matches Encompass for ratios.** **Clean up the eFolder (mark current version and make sure your Recycle/Misc folder is being utilized for older borrower documents.) Check in File Manager to confirm no remaining documents are left unassigned. We do not delete documentation, it get moves to the EFolder.** The Loan Specialist is responsible for the integrity of the loan documents in the eFolder, and these documents should be up to date and represent a clean eFolder and file.   

address any issues in this note as well.



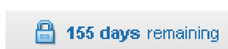
Preparing Loan for Closing Disclosure

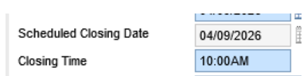
1 **Closing Disclosure**

Loan Specialist must verify the loan information for closing:

- Loan is locked
- Closing Date confirmed
- HOI
- PMI, if applicable
- Appraisal, unless VA on an exception basis

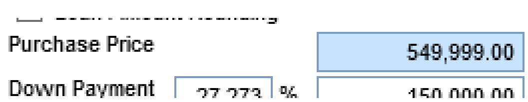
The loan specialist is responsible for uploading their unimproved tax calculation form or current tax bill into the eFolder





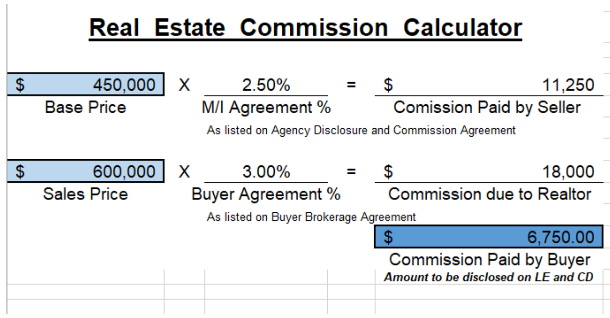
under closing tax worksheet and updating the 2015 itemization screen.

Confirm the final sales price of the home.



If there Is a realtor involved in the loan, confirm you have a copy of the realtor (buyer broker) agreement in the eFolder.

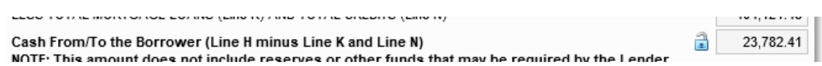
Double check the commission calculator to confirm that no additional amounts need to appear on the CD to be paid to the realtor. Compare to realtor agreement and sales contract.

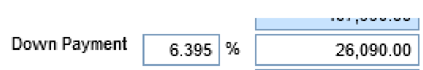


Double check the interested party contributions/seller credits have not been exceeded.

Conventional	LTV/CLTV Ratio	Maximum IPC
	Greater than 90%	3%
	75.01% – 90%	6%
Principal residence or second home- Conventional	75% or less	9%
Investment property- Conventional	All CLTV ratios	2%
FHA- 6% of the Sales Price **VA**- May pay all closing costs, only limits what VA does not consider to be normal costs such as discounts to 4%		

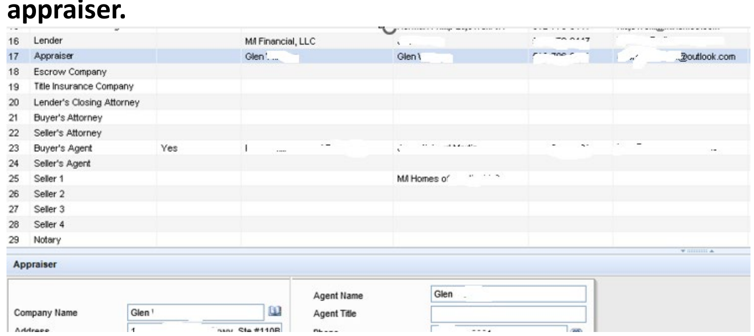
Confirm borrower is bringing to closing their required minimum down payment.
Add the EMD plus Cash to Close and confirm it meets or exceeds down payment.

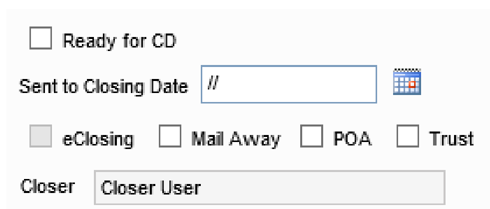
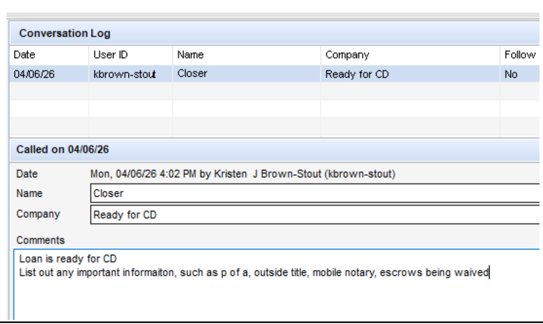




<table>
<tr>
<td></td>
<td>Review the file contact to confirm the HOI and PMI have been entered and completed prior to submission to closing.</td>
<td>

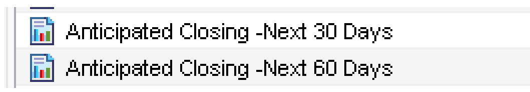
VA Loans – Confirm in File Contacts that the appraiser's information has been entered correctly. This will allow Final Inspections to be paid to the appraiser.



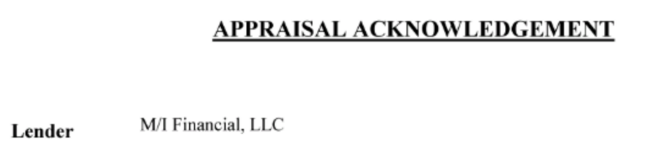
Run Mavent prior to pressing the Ready for CD button and confirm you have a pass.</td>
</tr>
<tr>
<td></td>
<td>On the M/I Borrower Summary-Origination screen mark the "Ready for CD" box and designate if it will be a mailaway, or if there will be a POA or Trust required.</td>
<td>
</td>
</tr>
<tr>
<td></td>
<td>Comment in the conversation log that the file has been sent to closing for the CD.</td>
<td>
</td>
</tr>
</table>

Ongoing Processing tasks:

30-Day and 60-Day Pipeline Views

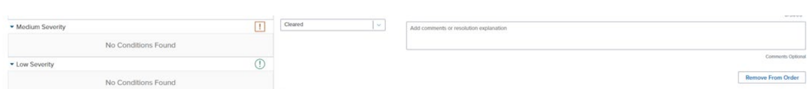
1	**Monitoring Your Pipeline** • **The 30-Day and 60-Day Pipeline Views can assist you.** • **Anticipated Closing reports for the next 30 Days and 60 Days can be generated in Encompass Reporting.**	Below are additional items that happen during the loan process that are the responsibility of the loan specialist. The loan specialist is responsible for monitoring their pipeline. 

Appraisal

1	**Appraisal Acknowledgment** Validating that the borrower has signed the Appraisal Acknowledgement is the responsibility of the loan specialist Reggora, our appraisal management company, will automatically send conventional and FHA appraisals to the borrower. VA appraisals and the appraisal acknowledgement are to be sent by Reggora to the borrower	IMPORTANT: B1 has to download for Encompass to recognize the appraisal as acknowledged.  

	Receipt of acknowledgement is to be placed in the eFolder under appraisal acknowledgment.	Reggora Appraisal Delivery Status **Name:** Alice Firstimer **Address:** 123 Main St, Austin TX 78703 (Travis County) **Email Address:** jyates@mihomes.com **Loan Number:** 000100593 **Submission Version Number:** 1 **E-submission Sent:** April 22, 2025 01:48 PM EST **Electronic Consent Accepted:** April 22, 2025 02:05 PM EST **Submission Downloaded:** April 22, 2025 02:06 PM EST **Consent IP Address:** 209.59.241.230, 163.116.247.72
	When sending the FHA appraisal, the conditional commitment is required to be sent with the appraisal.	**Conditional Commitment** **Direct Endorsement** **Statement of Appraised Value**
	When sending the VA appraisal, the Lenders Notice of Value is required to be sent with the appraisal.	**LENDER'S NOTICE OF VALUE** In the event the B1 is unable to open the Appraisal, the branch will be requried to send the appraisal manually using the Send button in the eFolder for the Appraisal Acknowledgment form to be signed. Once signed the date of acknowledgment needs to be entered in the M/I Appraisal Information screen. **Confirm on the File Contacts screen that the appraiser is listed.**

DRIVE

1	**Drive Report** No more than 10 days prior to closing run the DRIVE report within Encompass. Confirm prior to pulling DRIVE, your branch underwriter, appraiser and realtor's contact information is listed in File Contacts (this allows all parties to be included as part of the LDP/GSA)	 **After researching the condition, record your findings, and add notes for the resolution in the "Update" section immediately following each condition. These items must be addressed with the borrower(s) to determine if they are accurate and if applicable add to the loan application and obtain supporting documentation. If supporting documentation is required, upload the documentation to the appropriate place in the eFolder. A complete copy of the report must be uploaded to Encompass** You must address all "high" and "medium" conditions listed at the beginning of the report.

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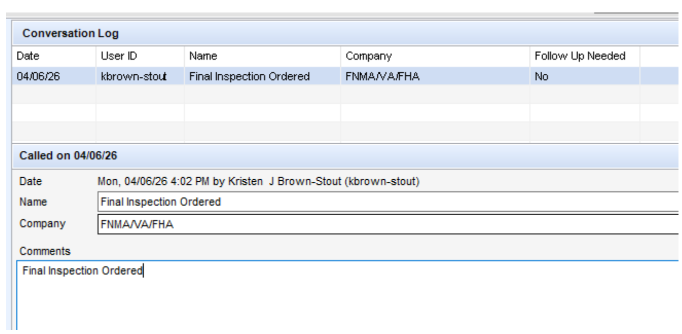
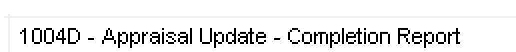
Updating Credit Report:

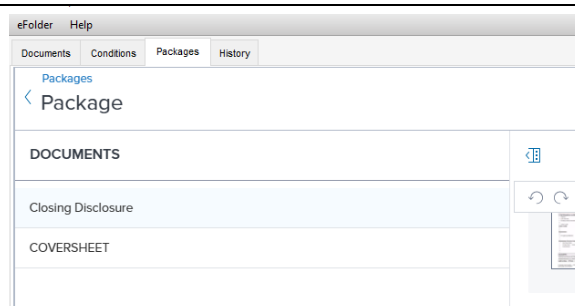
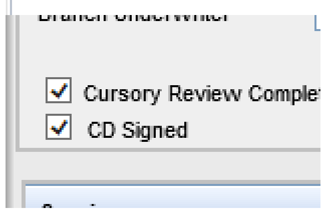
1	**Updating Credit Report/LQCC:** No more than 7 days prior to closing, the loan specialist will pull a LQCC to confirm no new debt, lates, or inquiries. Update the loan application to reflect any changed or new debt balances and payments. If there is a new inquiry, the inquiry form will need to be completed and signed. Both the LQCC and inquiry need to uploaded to the eFolder.	  The LQCC can be pulled in ENC by using the Order Credit Report option. Then use the dropdown menu and select LQCC. The report will auto-populate into the eFolder. 

Final Inspections

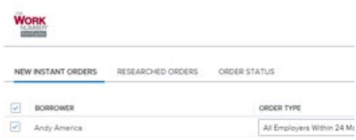
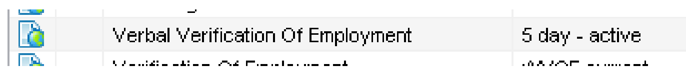
1	**Final inspections** If the original appraisal is subject to completion per plans and specs, you will need to order a final inspection. When you have been notified the home is complete, you will order your final inspection. **Order final inspections for FHA and Conventional through Reggora**	Add to the Reggora notes, the builder's contact information.   When the final inspection is received for **Conventional and FHA** separate out the invoice and **remove** it from eFolder.

	For VA loans order the final inspection through the original appraiser. Document that the inspection has been ordered in the conversation log.	 **VA final inspection invoices will need to stay in the file. The VA final inspection fee will be on the CD for payment to the appraiser from the title company.**

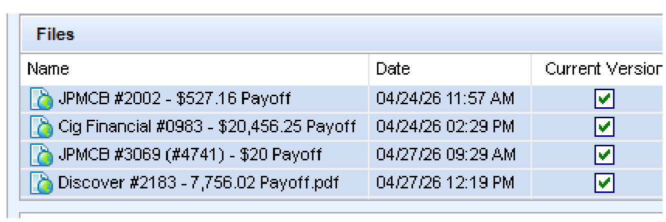
Confirmation of CD Signed

1	**Confirm CD and Appraisal Acknowledgement signed** In the eFolder/packages, you can confirm that the CD was signed. Once the loan specialist confirms the CD has been signed by all parties, go into the M/I Borrower Summary – Origination screen and mark the CD signed button.	 

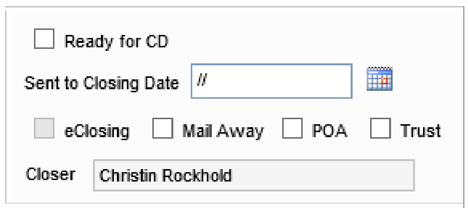
5-Day Verbal Verification of Employment

1	**5-Day Verbal Verification of Employment** The loan specialist will complete a verbal verification of employment no more than 5 calendar days prior to closing. This can be done through TWN/TrueWork, or by obtaining manually. Please follow VVOE instructions for manually completed VVOEs. VVOE must confirm they are still employed, job title, date of hire, and continued employment. Upload to the eFolder.	  Note: If the borrower(s) is in Active Military, you must obtain a Certification of Continuing Active Duty on the day of closing, or a military Leave and Earnings Statement (LES) dated within 30 days of the actual closing date. Once completed, upload to the eFolder, index, and title appropriately. Self Employed Borrowers: If the borrower(S) is self-employed, complete a verbal VOE 5 days prior to the actual closing date. You must verify the existence of the borrower(s) business. Once complete, upload to the loan file, index, and title appropriately. See underwriting guidelines for documentation requirements.

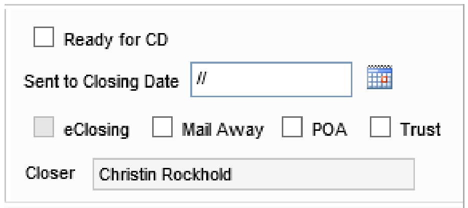
Closing Conditions

1	**Closing Conditions** In the event there are items that need to be signed at closing, such as a credit inquiry letter, payoffs, warranty of completion, or sign the tax returns, these documents need to be in the Closing Conditions folder in the eFolder for the closer.	 

Power of Attorney

1	**Power of Attorney** A POA may only be used when: -There is an emergency event (e.g., medical emergency or natural disaster) preventing the Borrower from executing the requisite documents in person, by electronic signature or through other alternative electronic means (e.g., Remote online Notarization) or -Applicable law requires the Seller to accept use of a POA.	Designate on the M/I Origination Summary screen as soon anyone is aware that a Power of Attorney is going to be used. If a borrower(s) will be using a Power of Attorney at closing, the "Specific Power of Attorney" must be approved by the title company and corporate underwriting. Obtain a copy of the document from the borrower(s), upload to the loan file and forward to the title company and underwriting for approval. This must be done prior to closing. The original Power of Attorney document must be sent to closing for recording. Within Encompass mark on the M/I Origination Summary Screen the POA box.  POA must be sent to the CorpUW mailbox at corpuw@mihomes.com

Trust

1	**Trust** Loans with title being taken in a trust need to be marked “Trust” on the M/I Borrower Summary – Origination form. Loan specialists are responsible for obtaining trust documentation and corporate underwriting approval.	 **Refer to the Underwriting Manual for details on trust eligibility and documentation required for trust approval from Corporate Underwriting

Prefund Audit and Post Closing Requests

1	**Post Closing Requests/Prefund Audits** The loan specialist will work with the operations manager to obtain any documentation needed for any prefund or post-closing audits.	The Branch is responsible to follow up on any requests for additional or missing documentation received from Post Closing. These requests are investor requirements for them to fund on the purchase of our loan. It must be your top priority to focus on obtaining the information requested in a timely fashion. Delays in obtaining the information can be very costly to the company. Obtain the documents, upload to the loan file, then index and title appropriately. Make a comment in the conversation log for “Post Closing” and respond to the post closer advising the receipt of documents.

Touchpoints

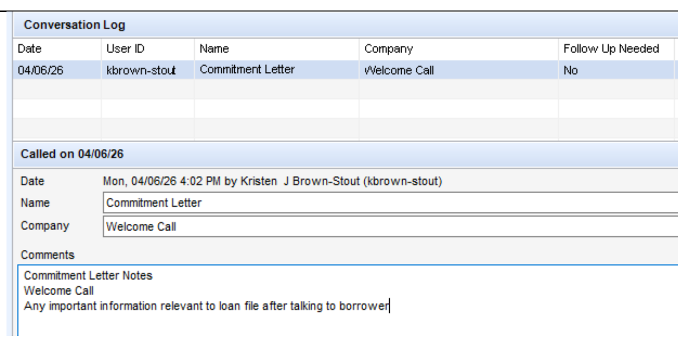
1	**Touchpoints** Set reminders in the **Tools> Conversation Log** to follow up with customers.	**Loan Specialist’s will be responsible for contacting every buyer once every 30 days to check in with them to see how the build process on their home is progressing.** 

	"Follow up" messages will be visible in the pipeline views	On to-be-built homes it is best practice to: • Remind them to get in touch with you if any changes occur in their financial situation. • Explain the importance of keeping their financial situation the same, i.e., no new credit, no new late payments, changing of jobs. • Remind them to shop insurance options early and have the final decision made and ready to purchase 30 days prior to closing to ensure a smooth closing process.

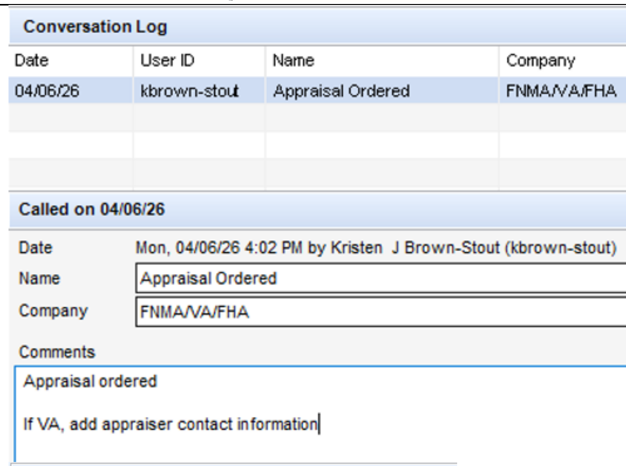
Texas Non-Purchasing Spouse

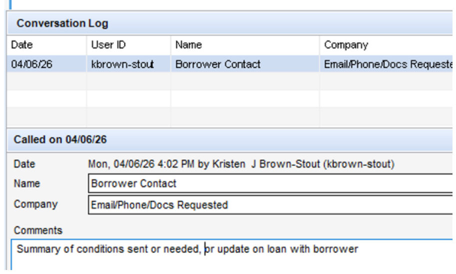
1	**Texas Non-Purchasing Spouse** When a loan is in Texas and is a government loan program, a non-purchasing spouse's credit must be considered.	Credit will need to be pulled on the non-purchasing spouse and their debts added to the URLA. A non-purchasing spouse is a spouse not listed on the mortgage loan note as a borrower. A non-purchasing spouse can be listed on the title. Please refer to the training aids on instructions. **Adding a Non-Purchasing Spouse Credit** PDF Guide

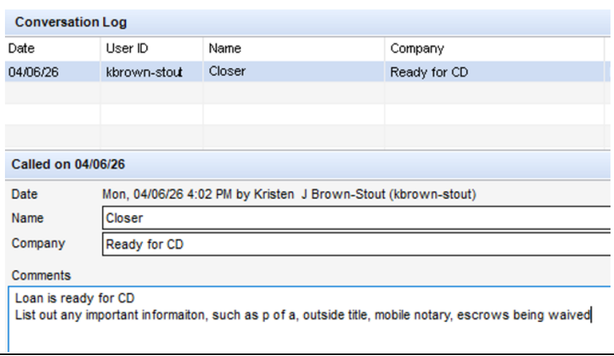
Conversation Log

1	**Conversation Log** It is very important as part of processing the loan, to document the progress within the conversation log.	

Each touchpoint, conversation/email with the borrower, loan status update should be documented.







Loan Specialist Overview Checklist

Encompass Processing Walkthrough Checklist

Follow these steps on a new loan file:

- Go to pipeline: **Processor – Conditioned**
- Review the **Conversation Log** – Review Notes & Comments
- Go to the **M/I Borrower Summary Origination** Page and **1003 URLA** pages to review loan details
- Review **eFolder:**
  - Review documents & conditions
  - Open 1003, credit & AUS, income analyzer
  - Review documents received, requested, and determine if any additional items needed
- As you review/clear, you will link documents to conditions, annotate and add expiration dates, as needed.
- Review **UW conditions** and fill in any external conditions (these will print on the commitment letter)
- Add **Commitment conditions/blank conditions,** as needed. These conditions will need to be marked "prior to approval" and "external" to print on commitment letter.
- **eFolder**
  - Click **eDisclosures** to generate Commitment Letter
  - **Request** documents needed
- Add notes of intro call and create alerts for follow up on the **Conversation Log**
- Documents will auto-retrieve once uploaded to ECC by borrower. You will receive a message (viewable on pipeline). Review documents and link to conditions in **eFolder,** as needed.
- Rerun **AUS** as required
- Once updated – and have HOI, Lock, Close date and appraisal, click **Ready for CD** on the M/I Borrower Summary Origination screen
- Other Vendor Services Run Throughout Processing:
  - WVOE: Work number, Truework
  - AccountChek
  - DataVerify DRIVE
  - MI Center
  - Flood

Page 1 of 2

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- Appraisal
- Transcripts
- Mavent (Compliance)

Prior to finishing the Processing milestone for Conditional Review from Branch UW Processors must:

- Run update **AUS** and **vendors (5-day items)**
- Pull current **transmittal**
- Add comments to **conversation log** as needed
- Clean up the **eFolder** (marking docs as current, attaching docs and conditions)
- Select the **UW** and **Finish** the **Processing Milestone**

An important reminder: It is imperative we delete all borrower documentation from our computers after it has been uploaded into loan files. Borrower documentation should never be stored on MIF employee computers.