

Date: September 16, 2019

Subject: New York Title and Closing Requirements

HomeBridge has established the following policy for all loans originated in the state of **New York** for title insurance, abstract/searches and other items required prior to loan closing.

Search Requirements

HomeBridge will require various searches depending on property location within the state of New York and the transaction type.

NOTE: The term New York City (NYC) refers to the five (5) NYC boroughs known as Bronx, Brooklyn, Manhattan, Queens and Staten Island.

Search types and the applicable requirement are detailed below. To determine if the subject property is located within the New York City five (5) boroughs click here [NYC - A City of Neighborhoods](#)

Certificate of Occupancy

A Certificate of Occupancy (CO) is required as follows:

- **Purchase Transactions:** A C/O is required on **all** properties located in the **state of New York on all loan programs**
- **Refinance Transactions:** A C/O is required on properties located in **New York City** as follows:

Required - NYC
A C/O is required on the following: <ul style="list-style-type: none">• Fannie Mae, Freddie Mac, FHA, VA, or USDA transactions and the borrower's credit score is < 620• All Jumbo, Jumbo Flex, Expanded Plus and Elite Plus transactions
Not Required - NYC
A C/O is not required on the following: <ul style="list-style-type: none">• Fannie Mae, Freddie Mac, FHA, VA, or USDA transactions and the borrower's credit score is \geq 620• Simple Access transactions

NOTE: A C/O is **not** required on properties located **outside** of NYC on refinance transactions

A C/O is provided by the municipality and confirms the property was built in accordance with local building codes and that the property use conforms to zoning requirements. Any alterations to the property and/or changes to the permitted usage must conform to code. The C/O is used in the Underwriter assessment for acceptable collateral. A Certificate of Compliance must be obtained for properties with any changes.

HomeBridge requires the C/O to:

- Ensure the legality of the property which permits maintenance on the property,
- Reduce potential losses in the event of a foreclosure, and
- Meet the Reps and Warrants required by HomeBridge investors (e.g. Fannie Mae, Ginnie Mae, etc.)

HomeBridge requires a C/O on all purchase transactions however, if the closing attorney or title company for the transaction represents that a C/O is not common or customary for a particular area of New York, HomeBridge management, on a case-by-case basis, may consider waiving the C/O requirement.

A C/O or NB # (in lieu of a C/O) may be provided based on the age and location of the property as detailed below:

NOTE: A NB #, in lieu of a C/O, is **not** considered an exception.

The closing attorney will determine, based on the property/building location and age, whether a C/O or NB # is applicable using available information (e.g. city atlases, etc.) to establish the age of a building/property.

The underwriter must compare the appraisal to the C/O or NB # (as applicable) and confirm the property/building and its usage are legal per the applicable document and confirm the value per the appraisal is valid.

Missing/Outstanding Certificate of Occupancy

Missing or outstanding C/Os are subject to the following:

- A waiver may be granted with HomeBridge management approval on a case-by-case basis.
- The borrower may be required to sign an indemnification (Hold Harmless).

Open Building Permit

Building permits for alterations, issued by municipalities, grant permission to amend, alter or add to an already existing structure or to build a new structure. An open permit does not mean that work has started or that the work was completed satisfactorily. **Call your Account Executive to discuss if there is an open permit.**

Municipal/Departmental Searches

Municipal (aka Departmental) searches are required as follows:

- **Purchase Transactions:** Required on **all** purchase transactions subject to the following:
 - **New York City:** NYC is the 5 boroughs: Bronx, Brooklyn, Manhattan, Queens and Staten Island
 - Properties located in NYC must include the following municipal searches:
 1. Housing and Building,
 2. Fire Department,
 3. Emergency Repair Lien,
 4. Highway,
 5. Violation,
 6. Street Report. If the street fronting the property is privately maintained, the underwriter must review and analyze the report to determine if road maintenance is not provided **or** if there is a road maintenance agreement, the costs to the borrower have been considered
 - **All Other Regions of New York State** (outside of NYC):
 - Municipal searches are subject to closing attorney or title company determination as to common and customary in other regions of New York.

Municipal/Departmental Searches (cont.)

- **Refinance Transactions:** Municipal/Departmental searches are subject to the following:

New York City (5 boroughs: Bronx, Brooklyn, Manhattan, Queens and Staten Island)
Required
A municipal/departmental search is required on: <ul style="list-style-type: none"> • Fannie Mae, Freddie Mac, FHA, VA, or USDA transaction and the borrower's credit score is < 620 • All Jumbo, Jumbo Flex, Expanded Plus or Elite Plus transactions
Not Required
A municipal/departmental search is not required on: <ul style="list-style-type: none"> • Fannie Mae, Freddie Mac, FHA, VA, or USDA transactions and the borrower's credit score is \geq 620 • Simple Access transactions

All Other Regions of New York State (outside of NYC)
Required
A municipal/departmental search is required when the closing attorney or title company indicates it is common and customary in the region where the property is located AND one of the following also applies: <ul style="list-style-type: none"> • It is a Fannie Mae, Freddie Mac, FHA, VA, or USDA transaction and the borrower's credit score is < 620, OR • It is a Jumbo, Jumbo Flex, Expanded Plus or Elite Plus transaction
Not Required
A municipal/departmental search is not required (even if common/customary for the area) on: <ul style="list-style-type: none"> • Fannie Mae, Freddie Mac, FHA, VA, or USDA transactions and the borrower's credit score is \geq 620, OR • Simple Access transactions

Important Note: If a municipal/department search is included in a file, even if it was **not** required, and it contains derogatory information, **it must be addressed as outlined below; it cannot be ignored**

Underwriting is responsible to review all municipal searches and notify management of any violations/issues that will not be paid at closing or that do not have an omit letter from title.

Violations that involve fines, penalties, vacate order or cease and desist order will require the fines be paid prior to closing. **An omit letter from title, confirming fines, vacate order, etc. will not show on the final title policy is also acceptable.**

Additional Searches

Bankruptcy Search: A bankruptcy search is required on all purchase and refinance transactions for properties located in the state of New York.

Judgment Search: A judgment search is required on all purchase and refinance transactions for properties located in the state of New York.

Patriot Search: A patriot search is required on all purchase and refinance transactions for properties located in the state of New York.

Search Requirements Quick Reference

The chart below provides a quick reference for required searches by transaction type and property location.

	Certificate of Occupancy ¹	Municipal/ Departmental Searches ²	NYC Additional Searches ³	Street Report	Bankruptcy Search	Judgment Search	Patriot Search	Survey or Survey Coverage
Purchase (outside NYC)	YES	Subject to Closing Attorney/Title Determination	NO	NO	YES	YES	YES	YES
Refinance (outside NYC)	NO	<p>NO unless:</p> <ul style="list-style-type: none"> The Closing Attorney/Title determines applicable <p>AND</p> <ul style="list-style-type: none"> FICO < 620 and transaction is Fannie Mae, Freddie Mac, FHA, VA, or USDA, <p>OR</p> <ul style="list-style-type: none"> Transaction is Jumbo, Jumbo Flex, Expanded, or Expanded Plus <p>(NOT required on Simple Access)</p>	NO	NO	YES	YES	YES	YES
New York City: Purchase NYC includes: Bronx, Brooklyn, Manhattan, Queens, & Staten Island	YES	YES	YES	YES	YES	YES	YES	YES
New York City: Refinance NYC includes: Bronx, Brooklyn, Manhattan, Queens, & Staten Island	<p>NO unless:</p> <ul style="list-style-type: none"> FICO < 620 and transaction is Fannie Mae, Freddie Mac, FHA, VA, or USDA <p>OR</p> <ul style="list-style-type: none"> Transaction is Jumbo, Jumbo Flex, Expanded, or Expanded Plus <p>(Not required on Simple Access)</p>	<p>NO unless:</p> <ul style="list-style-type: none"> FICO < 620 and transaction is Fannie Mae, Freddie Mac, FHA, VA, or USDA <p>OR</p> <ul style="list-style-type: none"> Transaction is Jumbo, Jumbo Flex, Expanded, or Expanded Plus <p>(Not required on Simple Access)</p>	YES	YES	YES	YES	YES	YES

Footnotes:

1. Management may grant exceptions to the C/O requirement on a case-by-case basis if determined C/O not common or customary for the area.
2. Municipal/ departmental searches are subject to closing attorney/title determination as to common and customary in certain regions of New York **and** specific transaction types as detailed in the chart above
3. NYC additional searches include Housing & Building, Fire Department, Emergency Repair Lien, Highway, Violation, and Street Report.

Survey or Survey Coverage to Title Policy

A survey or survey coverage to the title policy is required on all New York transactions regardless of location.

- **Survey** (purchase or refinance transactions):
 - Survey must reflect improvements that presently exist without any circumstance that would render the title unmarketable. *Only needed if Contract of Sale requires.*
- **Survey Coverage to Title Policy** (purchase or refinance transactions):
 - Survey coverage must insure against any variations, violations, encroachments, or adverse circumstances which would have been disclosed by a survey. A standard ALTA mortgagee policy contains the acceptable coverage. There can be no further survey exceptions to coverage in any schedule of the policy.