

As DCA continues to monitor the impact of the COVID-19, we have received questions from our Originating Partners. We want to assure you that the Commissioner, Deputy Commissioner, and Division Director has taken action to protect our staff and we have executed our business continuity plan.

DCA Single Family Loan Production team is following social distancing in the office and working remotely. Apart from unexpected system interruptions, we do not anticipate any work interruptions or extended turn times for underwriting or purchasing loans. In addition, we continue to perform workflow gap analysis in order that we can provide the best service possible during this time.

On March 13, 2020 President Trump declared a National Emergency concerning the Coronavirus (COVID-19) Outbreak. In direct response to the declaration, and as guidance to mortgage lenders, FHA issued Mortgagee Letter 2020-05 on March 27, 2020. The mortgagee letter provides **temporary** lender guidance effective immediately and for loan cases closed on or prior to May 17, 2020. Revisions to DCA's guidelines are highlighted below.

Summary

Final verbal verification of employment (VVOE) on or 10 days prior to closing. Lenders are not required to obtain a verbal verification of employment on or 10 days prior to closing. The lender may use the temporary flexibilities/alternative as follows:

1. The lender (participating employees) does not have knowledge of loss of employment and
2. The borrower has a minimum of 2 months reserves PITI with source of funds documented according to FHA guidelines **and** one of the following:
 - A year to date paystub or direct electronic verification of income for the pay period that **immediately proceeds** the note date **or**
 - A bank statement showing reflecting direct deposit from the Borrower's employment that **immediately proceeds** the note date. As a reminder, when delivering loans originated pursuant to the provisions of the agreement with DCA, the Lender warrants that the borrower is employed at the time the loan is purchased.
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IRS Tax Filing Date. The IRS has extended the tax filing and payment date for 2019 taxes to from April 15, 2020 to July 15, 2020. DCA will follow the IRS direction.

IRS Transcripts. When IRS transcripts are not available, DCA accepts the following:

- Executed 4506t for all years,
- The most 3 years consecutive tax returns with all attachments,
- Borrowers are required to sign each tax return signature page at closing.

These are challenging and uncertain times. The DCA Senior Leadership team is monitoring the situation closely and adjusting as needed. We are committed to continuing our communication with our partners as adjustments are made.

Thank you for your continued support and participation in the DCA mortgage loan programs.

If you have any questions, please contact one of the following:

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