

4 KEY ELEMENTS YOU NEED TO KNOW: 7/30/09

1. The earliest any home financing transaction can close is 7 business days after the borrower is issued the initial mortgage disclosures from the lender/MFS.
2. Upfront fees cannot be collected by the mortgage broker/originator (except credit report fee) until the initial disclosures are received by the borrower. Disclosures are considered “received” 3 full business days after mailing, allowing the fees to be collected on the fourth business. Check the application if marked “face to face” and 1003 and initial disclosures are dated the same day, and in MFS name, the fees MAY be collected.
3. The borrower must be provided with a copy of the appraisal a minimum of 3 business days prior to closing. The appraisal is considered “received” 3 business days after mailing or emailing.
4. An increase of more than .125% in the Annual Percentate Rate (APR) from the initial Truth In Lending Disclosure (TIL) requires the TIL disclosure to be revised and reissued to the borrower. The borrower must receive the revised TIL at least 3 business

days prior to closing. Again the TIL is considered “received” 3 business days after mailing.

Potential impacts to the APR:

- *Unlocked rate
- *Change in loan amount
- *Product changed
- *Change in closing date
- *Changes to fees, inclusive of settlement agent fees

BROKER/LOAN OFFICER KEY ROLES:

- *Help borrowers, Realtors and sellers understand timelines and how changes impact their closing date.
- *Plan for at least a 30 day closing date
- *Take a complete application and collect as much documentation as possible up front.
- *Issue the initial disclosures to the borrower.
- *Be as accurate as possible with ALL fees. All fees must be itemized – do not lump fees. Mark all fees that are prepaid finance charges so that the TIL/APR is as accurate as possible.
- *On Government loans: Origination Fee instead of Broker fee is to be disclosed.

- *Disclose MFS fees: Disbursement fee \$140; Underwriting Fee \$325 and Funding Fee \$325
- *Disclose 30 days per diem interest
- *Collect fees or direct to MFSLA.COM to pay appraisal fee 4 business days after borrower has received the initial TIL.
- *Be sure that loan is locked at least 7 business days prior to closing.
- *Understand that any change to the fees that impact the APR could lead to a re-disclosure of the TIL.
- *Work proactively with Settlement agents to provide a preliminary HUD with accurate fees

UNDERWRITER KEY ROLES:

- *Check the 1003, page 4 on how application was taken. Check disclosures to be sure that dates match.
- *If loan was taken “face to face” and disclosures are dated and in MFS name, this starts the “waiting period”.

*If disclosures were mailed, wait 3 business days for “received date”

*If disclosures were emailed and proof of a “read receipt” provided, this is considered the “received date”

*Check the TIL for the following verbiage: **You are not required to complete this agreement merely because you have received these disclosures or signed a loan application.**

*Closing Condition to state that APR must not exceed:_____

Be sure the bottom portion of the TIL on an FHA loan is completed:

The screenshot displays the Point software interface for a Truth-In-Lending (TIL) form. The window title is "Point - [0907001.BRW]". The menu bar includes File, Edit, Marketing, Forms, eLoanFile, Verifs, Track, Banker, Lenders, Services, Interfaces, Bor/Co-Bor, Utilities, Window, and Help. The navigation panel on the left lists various loan-related tasks and reports. The main form area is titled "BONIN, RYAN J | Truth-In-Lending (Reg. Z)". It contains several sections with checkboxes and input fields:

- REQUIRED DEPOSIT:** The annual percentage rate does not take into account your required deposit.
- DEMAND FEATURE:** This obligation has a demand feature.
- VARIABLE RATE FEATURE:** This loan contains a variable rate feature.
- Insurance:** The following insurance is required to obtain credit: Credit life insurance, Credit disability, Property insurance, Flood insurance. Premiums for Credit Life, Credit Disability, and Credit Life & Disability are input fields.
- Security:** You are giving a security interest in: 3031 EMPIRE RD, Jennings LA 70546. The goods or property being purchased, Real property you already own.
- Filing Fees:** 250.00
- Late Charge:** If a payment is more than 15 days late, you will be charged 4.000% of the payment.
- Prepayment:** If you pay off early, you may, will not have to pay a penalty. may, will not be entitled to a refund of part of the finance charge.
- Assumption:** Someone buying your property may, may, subject to conditions, may not assume the remainder of your loan on the original terms.

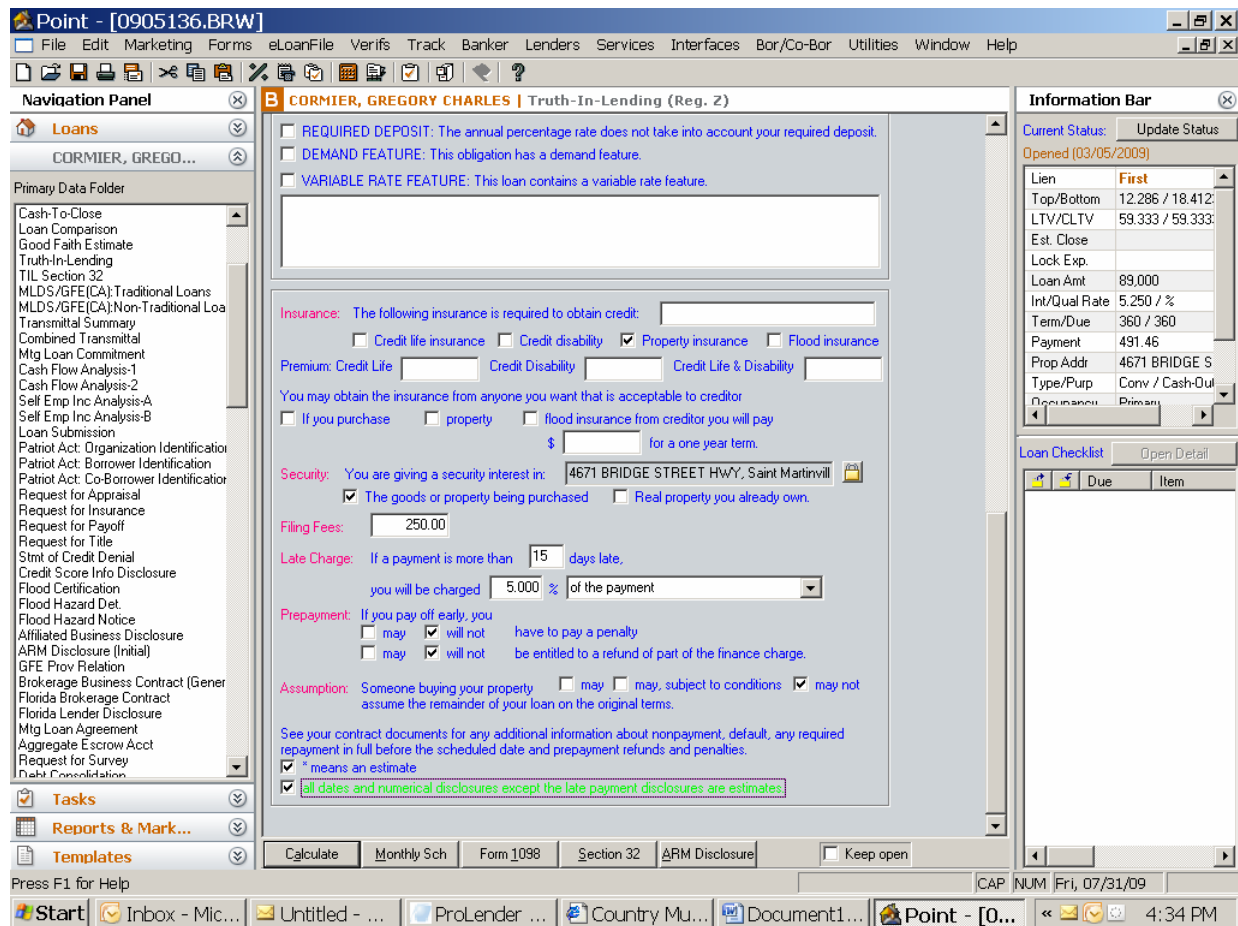
The bottom of the form area has buttons for "Calculate", "Monthly Sch", "Form 1098", "Section 32", "ARM Disclosure", and "Keep open". The information bar on the right shows "Current Status: Update Status" and "Opened [01/21/2008]". It also displays loan details such as "Lien: First", "Top/Bottom: 19.613 / 54.745", "LTV/CLTV: 96.500 / 96.500", "Est. Close", "Lock Exp.", "Loan Amt: 209,400", "Int/Qual Rate: 5.625 / %", "Term/Due: 360 / 360", "Payment: 1,226.52", "Prop Addr: 3031 EMPIRE R", "Type/Purp: FHA / Purchase", and "Occupancy: Primary". A "Loan Checklist" table is also visible:

	Due	Item
<input checked="" type="checkbox"/>	<input type="checkbox"/>	VOD:THE BA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	VDE:Helmeric

The taskbar at the bottom shows the Start button, several open applications (Inbox - Micros..., ProLender Sol..., Country Music..., Document1 - ...), and the Point software window. The system clock shows "NUM Fri, 07/31/09" and "3:54 PM".

THEN CLICK ON CALCULATE

The bottom portion of a Conventional/RD loan should look like this:



THEN CLICK ON CALCULATE