

Governance, Risk & Compliance

# What's New with the Documents

ComplianceOne® assumptions

2017.2



## Governance, Risk & Compliance

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## What's New

### MULTI-STATE

#### Assignment of Real Estate Security Instrument

The Assignment of Real Estate Security Instrument has been changed to insert a comma after 'Mortgage Electronic Registration Systems, Inc.' where the name appears in the MERS paragraphs and after '(herein Assignor)'. In addition, State can now be selected for **Recording Jurisdiction Region Type** on the Document Data page.

#### Certificate of Foreign Status of Beneficial Owner

The Certificate of Foreign Status of Beneficial Owner (W-8BEN) has been changed to match the January 2017 IRS version. The specific changes include: (1) a new FATCA notice near the top of the document to inform the individual that information may be shared with one's home country (jurisdiction of residence); (2) clarifications around the prompts and completion of the existing fields in Part II - Claim of Tax Treaty Benefits; and (3) simplification of the first certification statement in the Certifications section.

#### Closing Disclosure

##### Closing Disclosure-Seller Only

##### Closing Disclosure Addendum

##### Closing Disclosure Addendum-Seller Only

Changes have been made to the Property field on page 1 of the Closing Disclosure and Closing Disclosure Addendum documents. Prior to this change, the Property field printed the address from collateral details, the legal description, or the address short name depending on what was entered for your transaction. Specifically, the address from collateral details printed to the Property field and **Street Address Short Name** and **City Short Name** could be entered in Document Data in the Collateral Address section. If an address was not entered in collateral details and you did not enter **Street Address Short Name** or **City Short Name**, the **Legal Description** printed.

Due to the length of some legal descriptions and the adverse effect to other transaction documents of changing the description to fit the available space, the **Legal Description** you enter on collateral details will no longer print on the Closing Disclosure documents. Instead, **Describe the location of the subject real property (e.g., Lot, ZIP Code or ZIP Codes)** is now available within document data entry in the collateral section for use when an address has not been entered in collateral details and the **Street Address Short Name** and **City Short Name** are blank.

In addition, to make better use of the space available in the Property field, the collateral address and location of the subject property may print in a reduced font size without line breaks. If the address or property location is longer than what space allows, the text will be truncated and the full collateral address or property location will print on the Closing Disclosure Addendum and Closing Disclosure Addendum-Seller Only, if applicable.

## Demographic Information Addendum

The Demographic Information Addendum has been added to provide you the ability to collect expanded Home Mortgage Disclosure Act (HMDA) demographic information in conjunction with the multistate, CA, DC, or OH versions of the Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application (URLA) or Universal Credit Application (UCA-RE or UCA-RE-WOGM). You may begin using the interim URLA and this addendum at any time on or after January 1, 2017. However, for applications/originations subject to HMDA reporting, you are required to collect the borrower demographic information on loan applications taken on or after January 1, 2018. There are also special transition rules within the final rule that need to be accounted for. Additional information relating to HMDA can be found at: <http://www.wolterskluwerfs.com/regulatory-analytics/HMDA-FAQs.aspx>

When Include the Demographic Information Addendum is checked on the Document Data page and the:

- URLA is selected, Section X, Information for Government Monitoring Purposes is removed
- UCA-RE is selected, you must inform the applicant to cross-out Section 13. Government Monitoring or Demographic Information
- UCA-RE-WOGM is selected, the 'Not applicable' checkbox is checked in Section 13. Government Monitoring or Demographic Information. The ability to check 'HMDA Demographic Information' and 'ECOA Government Monitoring' checkboxes will be included in a future release. Until then, you can strike the 'Not applicable' text and manually check the appropriate checkbox and have the applicant initial the change.

## Disclosure Notices

The Disclosure Notices document has been revised to differentiate between state and federal agencies for the agency name and address. In the Organization Regulator section within document data entry you can select Federal or State from **Specifies whether the information being provided is regarding a state or federal regulator**. The ability to enter this information within Administration will be available in a future release.

## Disclosure of Credit Score Information

The Disclosure of Credit Score Information has been changed to improve readability and for consistency with other documents. Each individual credit score will now be presented in separate tables rather than in individual columns in a single table.

## Errors and Omissions Agreement

The Errors and Omissions Agreement has been changed to include guarantors (in addition to borrowers, owners, and cosigners) as a party on page 1 and in the signatures section.

## Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application

The Fannie Mae/Freddie Mac Uniform Residential Loan Application has been changed so the Real Estate Owned (REO) section on page 3 accurately prints the total of all Real Estate Owned from the continuation page.

## Important Applicant Information

The Important Applicant Information has been changed to replace 'Lender' with 'Mortgage Loan Originator'.

## Loan Estimate

### Loan Estimate Addendum

Changes have been made to the Property field on page 1 of the Loan Estimate and Loan Estimate Addendum. Prior to this change, the Property field printed the address from collateral details, the legal description, or the address short name depending on what was entered for your transaction. Specifically, the address from collateral details printed to the Property field and **Street Address Short Name** and **City Short Name** could be entered in Document Data in the Collateral Address section. If an address was not entered in collateral details and you did not enter **Street Address Short Name** or **City Short Name**, the **Legal Description** printed.

Due to the length of some legal descriptions and the adverse effect to other transaction documents of changing the description to fit the available space, the **Legal Description** you enter on collateral details will no longer print on the Loan Estimate. Instead, **Describe the location of the subject real property (e.g., Lot, ZIP Code or ZIP Codes)** is now available within document data entry in the collateral section for use when an address has not been entered in collateral details and the **Street Address Short Name** and **City Short Name** are blank.

In addition, to make better use of the space available in the Property field, the collateral address and location of the subject property may print in a reduced font size without line breaks. If the address or property location is longer than what space allows, the text will be truncated and the full collateral address or property location will print on the Loan Estimate Addendum.

### Mortgage Interest Statement 1098

The Mortgage Interest Statement 1098 has been changed to be consistent with the IRS's recent changes for use in documenting mortgage interest in 2017 (the prior revision would still be used for amounts reportable in 2016). Minor changes include recording the number of mortgaged properties (where more than one property secures the loan) in box 10. The other information that formerly appeared in box 10 (such as real estate taxes or insurance paid from escrow) now gets reported in box 11. Other changes are limited to minor clarifications.

### Multiple Documents

Multiple documents have been changed to include "signed under seal", or similar language, based on your applicable law state rather than your state of organization (along with checking the location of the real estate). The states that trigger the seal language include Alabama, Alaska, Connecticut, Delaware, the District of Columbia, Georgia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, North Carolina, Pennsylvania, South Carolina, South Dakota, Vermont, Virginia, West Virginia and Wisconsin.

### Notice of Action Taken

The Notice of Action Taken has been changed to delete the second sentence in the statement of specific reasons language, "Upon receiving your request, we will within 30 days provide you with a statement of reasons.", because it was repetitive of the third sentence. The remaining sentence, standing alone, conforms to the language in the sample notification form, C-5.

Also, the ability to differentiate between state and federal agencies for the agency name and address has been included. In the Organization Regulator section within document data entry you can select Federal or State from **Specifies whether the information being provided is regarding a state or federal regulator**. The ability to enter this information within Administration will be available in a future release.

## Notice to Settlement Agents

The Notice to Settlement Agents document has been changed to print the name and phone number of the **Organization Contact** from the Loan Definition page when you don't have a **Type of Alternate Address** of Loan Processing entered in Administration for your **Organization**.

## Request for Verification of Dependent Care

The Request for Verification of Dependent Care has been changed to print all applicant names and the first applicable applicant's address in Section '8. Name and Address of Applicant(s)'. In addition, Section '9. Signature of Applicant(s)' has been changed to only print signature lines when applicable.

## Request for Verification of Stock/Securities

The Request of Verification of Stock/Securities has been changed so the document is selected for a transaction with an investment asset that has an **Account Number** entered on the Financial Analysis page. In addition, the document has been changed to print all applicant names and the first applicable applicant's address in Section '8. Name and Address of Applicant(s)'.

## Universal Credit Application Real Estate

### Universal Credit Application Real Estate-WOG

The Universal Credit Application Real Estate and Universal Credit Application Real Estate WOG have been redesigned in some areas to accommodate upcoming regulatory changes for HMDA as well maintaining a consistent look and feel with the upcoming layout of the Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application.

The changes made to these documents include:

- The Lender Case No./HMDA ULI has been moved from Section 2 to the top of page 1. The HMDA ULI is associated with the upcoming regulatory changes and will be available in a future release.
- The HMDA Reportable field has been moved from the For Lender's Use section at the end of the document to the top of page 1.
- The Census Tract has been added to the top of page 1.
- Section 2 was previously titled Type of Mortgage and Terms of Credit and is now Terms of Credit Requested. Within this section the following changes have been made:
  - Mortgage Applied For has been replaced with Type of Credit. In ComplianceOne mortgage, Loan will be checked for every transaction.
  - Amount/Credit Limit, which previously printed the Loan Amount from the Calculations page, has been replaced with Amount Requested. The **Amount Requested** from the Calculations page will print to this field.
  - The Interest Rate field has been moved from Section 2 to the For Lender's Use section at the end of the document. In addition to the interest or index rate, variable rate transactions will print the **Margin** and **Index Name** from the Calculations page.
  - Amortization Type is now Interest Rate Type.
  - No. of Months is now Term of Credit (in Months).
- Section 3 was previously titled Property Information and Purpose of Credit and is now Property Information and Loan Purpose. Within this section the following changes have been made:
  - County or parish has been added to the parenthetical after Subject Property Address. The ability to print the county/parish will be included in a future release.
  - Within the Loan Purpose subsection, Construction has been relabeled as Construction-Initial and a checkbox for Home Improvement has been added. The Home Improvement checkbox will be available for selection in a future release.

- On page 5, Section 13 was retitled from Information for Government Monitoring Purposes to Government Monitoring or Demographic Information.
- The subsection 'This information was provided' within the For Mortgage Loan Originator section has been relabeled and the options have been labeled to be more concise. For example, Mail or Fax replaces 'By the applicant and submitted by fax or mail'.

#### **Veterans Affairs Statement of Purchaser or Owner Assuming Loan**

The Veterans Affairs Statement of Purchaser or Owner Assuming Loan has been changed to appropriately check the Yes and No checkboxes in Section K (based on the sum of the unpaid principal balances that are included in the assumption).

### **CALIFORNIA**

#### **Fair Lending Notice – CA**

The California Fair Lending Notice has been revised to differentiate between state and federal agencies for the agency name and address. In the Organization Regulator section within document data entry you can select Federal or State from **Specifies whether the information being provided is regarding a state or federal regulator**. The ability to enter this information within Administration will be available in a future release.

#### **Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application CA**

The Fannie Mae/Freddie Mac Uniform Residential Loan Application has been changed so the Real Estate Owned (REO) section on page 3 accurately prints the total of all Real Estate Owned from the continuation page.

#### **Request for Notice (CA)**

Within Document Data, on the Request for Notice (CA), State can now be selected for **Recording Jurisdiction Region Type** under the Collateral section.

### **DISTRICT OF COLUMBIA**

#### **Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application DC**

The Fannie Mae/Freddie Mac Uniform Residential Loan Application has been changed so the Real Estate Owned (REO) section on page 3 accurately prints the total of all Real Estate Owned from the continuation page.

#### **Real Property Recordation and Tax Addendum-DC Security Affidavit for the District of Columbia-DC**

Previously the name displayed in **Form to View First** on the Document Data page and in the document list on the Print page would only include the name for which the document was applicable, such as the owner. These documents have been updated so that Real Property Recordation and Tax Addendum-DC and Security Affidavit District of Columbia - DC are displayed on the Document Data page and Print page.

### **LOUISIANA**

#### **Request for Notice of Default and Election to Sell (LA)**

Within Document Data, on the Request for Notice of Default and Election to Sell (LA), State can now be selected for **Recording Jurisdiction Region Type** under the Collateral section.

## MARYLAND

### Closing Attorney Fee Certification-MD

The Maryland Closing Attorney Fee Certification has been changed to remove language that was only required for loans with an application date before 10/3/2015. The Property Address has also been removed since it was not referenced in the document.

## MISSOURI

### Request for Notice of Sale (MO)

Within Document Data, on the Request for Notice of Sale (MO), State can now be selected for **Recording Jurisdiction Region Type** under the Collateral section.

## NEVADA

### Request for Notice of Default and Election to Sell (NV)

Within Document Data, on the Request for Notice of Default and Election to Sell (NV), State can now be selected for **Recording Jurisdiction Region Type** under the Collateral section.

## NEW YORK

### Hazard Insurance Disclosure-NY

The New York Hazard Insurance Disclosure has been removed since it is only required for loans secured with owner-occupied collateral that is Multi-Family Dwelling (5+) and we do not currently support this type of collateral.

## NORTH CAROLINA

### Request for Notice of Default (NC)

Within Document Data, on the Request for Notice of Default (NC), State can now be selected for **Recording Jurisdiction Region Type** under the Collateral section.

## OHIO

### Escrow Account Disclosure-OH

The Ohio Escrow Account Disclosure has been removed because it is required for mortgage brokers and we do not currently support these types of originators.

### Fannie Mae 1003 Freddie Mac 65 Universal Residential Loan Application OH

The Fannie Mae/Freddie Mac Uniform Residential Loan Application has been changed so the Real Estate Owned (REO) section on page 3 accurately prints the total of all Real Estate Owned from the continuation page.

## OREGON

### Escrow Account Option Notice-OR

The Oregon Escrow Account Option Notice has been changed to only select for loans that are secured by real estate collateral that has **Borrower's Principal Dwelling** or **Borrower's Dwelling** selected in collateral details and to remove the \$100,000 cap removed by statutory revision effective 1/1/14.

## VIRGINIA

### Notice of Intent to Release-VA

The Virginia Notice of Intent to Release has been changed so the document name that is displayed in **Form to View** on the Document Data page and in the document list on the Print page includes the street address, rather than the location address.

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