

What's New with the Documents

2016 January

Preface

This publication was written for ComplianceOne® mortgage

Publication Information / Version

Document Title: What's New with the Documents

Release Date: 2016 January

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What's New

MULTI-STATE

Adjustable Rate Mortgage Disclosure Fannie Mae Freddie Mac

The Adjustable Rate Mortgage Disclosure - Fannie Mae Freddie Mac has been revised to ensure that the correct name of the source of the index publication is included when the user enters a user-defined variable interest rate type. Previously, the user-defined variable index type name was included in this situation instead of the index source.

Balloon Payment Mortgage Disclosure

The selection of the Balloon Payment Mortgage Disclosure has been revised to exclude loans insured by Fannie Mae or Freddie Mac and loans insured by the FHA, VA or USDA because these agencies do not purchase balloon loans. The body of the document has also been revised to remove content related to a conditional right to refinance because the product not support balloon loans with a conditional right to refinance.

The Balloon Payment Mortgage Disclosure was originally designed as a required disclosure for national banks making balloon payment mortgages. The requirement was removed in 1988. However, we still recommend this document be used as a matter of good banking practice for balloon payment mortgages.

Closing Disclosure

We updated completion of the MIC# section on the first page of the Closing Disclosure. Prior to this change, the user had an option to provide **The case number or identifier of the mortgage insurer or Agency Case Identification Number**, as applicable, in the Transaction Data section. As a result of this update, a single field will be used to enter the private mortgage insurance certificate number and to populate the MIC# section.

Closing Disclosure Cover Letter (VMP660E)

The Closing Disclosure Cover Letter (VMP660E) is an optional cover letter that can be used when a revised Closing Disclosure is provided to a loan applicant. It informs the applicant that something about the transaction has changed and that a revised Closing Disclosure is attached. The document reminds the applicant to review the revised Closing Disclosure and provides space to describe the change(s) that gave rise to the need for a revised Closing Disclosure. This space can be used to provide a revised closing date, if necessary.

Disclosure Notices

The Disclosure Notices has been updated to include the collateral address in the Affidavit of Occupancy section. The affidavit portion previously referred to "the real property described above," but the collateral address was not included. As a result of this change, the collateral address will be included above the proper paragraph in the affidavit. The wording has been changed slightly from "the real property described above" to "the real property described below" to reflect this change.

Fannie Mae 1003 Freddie Mac 65 Universal Loan Application Continuation Page

The Fannie Mae 1003 Freddie Mac 65 Universal Loan Application Continuation Page is selected when there is more information than can be printed on the fields provided in the URLA. This document has been updated to correct a duplication issue. Prior to this change, when there were four or more Bank Account Assets in a given transaction, the fourth Bank Account Asset was printing on both the URLA and the Continuation Page. This issue is no longer occurring.

Initial Interest Rate Adjustment Notice

The Initial Interest Rate Adjustment Notice has been revised to ensure that the correct name of the source of the index publication is included when the user enters a user-defined variable interest rate type. Previously, the user-defined variable index type name was included in this situation instead of the index source. In addition, we removed the hard-coded “in” from the phrase that describes the source of the index and updated the document, so that the appropriate prepositional phrase will print at the beginning of the publication name (e.g., “in the Wall Street Journal” or “at <http://www.jpmorganchase.com>” or “on the Federal Housing Financing Agency website (www.fhfa.com)). [12 CFR 1026.20(d) and Appendices H-4(D)(3) and H-4(D)(4)].

Loan Estimate Closing Disclosure

The Loan Estimate and the Closing Disclosure have been revised in the Estimated Taxes, Insurance & Assessments row of the Projected Payments table. Specifically, the rules for selecting the checkbox for **Property Taxes** under **This estimate includes** and the indicator for “Some” under **In escrow?** have been updated for loans involving Assessments. The selection of “Annual Assessment” from the Escrow section on the Calculations page and “Assessment” in the Closing Disclosure on the Document Data page under the Estimated Property Cost section for non-escrow items will now cause the **Property Taxes** checkbox to be checked instead of **Other**. Likewise, the **In escrow?** will indicate “Some” across from **Property Taxes**, if escrowed for an escrow item of “Assessment.”

Other will no longer be checked for an “Annual Assessment” escrow item or “Assessment” non-escrow item as it is presumed that these assessments are being paid to a taxing authority. The treatment of all other values for assessments will remain the same and **Other** will be checked, as applicable.

Rate Lock Agreement

The Rate Lock Agreement has been revised to support variable loans where a rate floats until three (3) days before consummation. The document will be disclosing fees from the closing phase in this scenario.

FLORIDA Lock In Agreement-FL

The Lock In Agreement-FL has been revised to support variable loans where a rate floats until three (3) days before consummation. The document will be disclosing fees from the closing phase in this scenario.

MASSACHUSETTS Massachusetts recordable documents

Massachusetts recordable documents have been revised to ensure that the “No loan originator was involved in the mortgage” option is appropriately checked. Specifically, this checkbox will be checked when the loan originator is not involved in the transaction. Prior to this change, the product was checking the box, if a loan originator was present on the loan, but no loan originator name was provided.

MONTANA

Lock In Agreement-MT

The Lock In Agreement-MT has been revised to support variable loans where a rate floats until three (3) days before consummation. The document will be disclosing fees from the closing phase in this scenario.

NEW JERSEY

Settlement Service Fees Estimate-NJ

The Settlement Service Fees Estimate-NJ has been removed from the product and replaced with the Settlement Service Fees Estimate-NJ-1015 to satisfy the requirements of N.J.A.C. 3:1-16.3(d).

Settlement Service Fees Estimate-NJ-1015 (VMP1346NJ)

The Settlement Service Fees Estimate-NJ-2015 (VMP1346NJ) has been added to the product in place of the Settlement Service Fees Estimate-NJ, which has been removed.

The new document identifies the estimated settlement service fees imposed on the borrower, indicates whether the fees are refundable in whole or in part, and describes the terms and conditions of any such refund. The Settlement Service Fees Estimate-NJ-2015 is provided to the borrower not later than three (3) business days after the lender receives the borrower's application. [N.J.A.C. 3:1-16.3(d)]

NEW YORK

Affidavit Section 22-NY

The Affidavit-Section 22-NY is a statement of costs and amount of loan proceeds available for construction costs. This document has been revised to better support Sections 13, 22, 70, and 73 of New York Lien Law. This document will support loans for the purchase and “cost of improvements” only, as defined by Section 2, New York Lien Law. The Affidavit-Section 22-NY will not support public improvements. [Sections 13, 22, 70, and 73 of New York Lien Law.]

Information About The Variable Interest Rate On Your Loan-NY

The Information About The Variable Interest Rate On Your Loan-NY has been updated to be more consumer-friendly. Prior to this change, the rate change frequency description included the frequency type (e.g., monthly), but did not describe the number of units. The updated document will allow the user to specify the number of units in addition to the frequency type.

We also updated the Payments paragraph to ensure that a final payment amount is always included. Prior to this change, the scheduled final payment amount was not provided for non-balloon transactions. With the update, the balloon payment will continue to print in this paragraph, if the transaction involves a balloon payment. Otherwise, the amount specified as the final payment amount will print.

Lock In Agreement-NY

The Lock In Agreement-NY has been revised to support variable loans where a rate floats until three (3) days before consummation. The document will be disclosing fees from the closing phase in this scenario.

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