

What's New with the Documents

2015 October

Preface

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Table of Contents

What's New.....	1
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What's New

MULTI-STATE Closing Disclosure

The Closing Disclosure has been updated to ensure that items disclosed on K.04 and overflow are disclosed correctly on K.04 and the addendum when more than one item is added to this line. Prior to this change, the total of multiple items was included, while the descriptions and the individual amounts were disclosed incorrectly, and multiple descriptions appeared on a single line, instead of the reference to the addendum. The issue has been addressed, and multiple items are being disclosed correctly.

Fannie Mae/Freddie Mac security instruments and riders

The signature sections of Fannie Mae/Freddie Mac security instruments and riders have been updated to support settlor signatures when the collateral owner is a living (inter vivos) revocable trust. Previously, the signatures were generated on a separate document (the Inter Vivos Revocable Trust Signature Attachment) that was used along with the security instruments and riders. To meet the agency requirements, we now include the settlor signatures directly on the document that must include this information. The signature section of the security instruments and riders will include the signature of each settlor that is also a borrower. The separate Inter Vivos Revocable Trust Signature Attachment has been removed from the inventory.

Inter Vivos Revocable Trust Signature Attachment

The Inter Vivos Revocable Trust Signature Attachment has been removed from inventory because we have added the settlor signatures to each security instrument and rider that must include this information.

Loan Estimate

The product has been updated to allow the option to add the "delayed settlement" disclosure to the Loan Estimate. This option has been added for lenders that determined that the loan involves new construction as part of the permanent financing loan in cases where the initial construction financing and permanent financing are structured as two separate transactions. When this option is selected, the "delayed settlement" disclosure will be included in the Other Considerations section on page 3 of the Loan Estimate.

The Loan Estimate has been updated to ensure that individual fee amounts are not rounded when only a total of those fees is disclosed. As a general rule, rounded values are disclosed on the Loan Estimate. If, however, a sum of amounts is disclosed, individual items are added together unrounded, and then the total is rounded in accordance with 12 CFR 1026.37(o)(4). [12 CFR 1026.17(c)(1), 12 CFR 1026.37(o)(4), 12 CFR 1026.38(t)(4) and Official Commentary].

Note-Consumer

The Post Maturity section in the Note Consumer (the multistate, as well as the TX and the WI versions) has been enhanced to add flexibility when describing a post-maturity rate. The Post Maturity section was reorganized, and you can now define the post-maturity interest accrual; otherwise the specific post-maturity interest rate paragraph will print.

Security Instruments

Security instruments and other documents that include the notary acknowledgment have been updated to ensure that the notary format follows the rules of the state where the document is executed. Prior to this change, the format of the state where the property is located was used, which was not correct in cases when the state where the property is located and the state where the document is executed are not the same.

Uniform Residential Loan Application (including state-specific versions and the continuation page)

The fields that include the first or second borrower's Position/Title/Type of Business for their employment history have been updated to print both the title and the line of business, if both are provided. This change was made in response to a customer request.

INDIANA

Mortgage Closed End

Mortgage - Fannie Mae Freddie Mac

Mortgage - Fannie Mae Freddie Mac Junior Lien

Mortgage documents used in transactions secured by property that is located in Indiana have been revised to include the following notice for high-cost loans: "This instrument secures a high cost home loan as defined in IC 24-9-2-8." This notice included pursuant to IN Code Section 24-9-4-1(6).

High Cost Home Loan Notice to Borrower (IN)

The High Cost Home Loan Notice to Borrower (IN) has been added for high-cost loans that are secured by real property that is the borrower's principal dwelling and located in Indiana. This notice is required by IN Code Section 24-9-4-11 and must be provided no later than the time that disclosures are required under 12 C.F.R. 1026.31(c) (that is, three days prior to consummation).

KENTUCKY

Note Consumer (KY)

The Application of Payments section of the Note-Consumer that is used for Kentucky transactions has been updated to correctly reflect the requirements for high-cost loans and loans that are not high-cost.

Prior to this change, the Application of Payments section automatically stated that payments would be applied first to any interest that is due, then to any charges owed other than principal and interest and then to principal that is due, even if a different order was indicated in a Document Policy from Administration.

The order of payments for Kentucky loans is governed by two statutes: one for high-cost mortgages, and the other - for mortgages that are not high-cost. KRS 360.020(2) dictates that for a mortgage that is not high-cost, "Partial payment on a debt bearing interest shall be first applied to the interest then due." The Application of Payments section for loans that are not high-cost now reads:

“Except as otherwise provided in this note, each partial payment I make on this note will be applied first to any interest that is due, then to any charges I owe other than principal and interest, and then to principal that is due. Except as otherwise provided in this note, each full payment I make on this note will be applied first to [the application of payments specified in Administration is included here].”

KRS 360.100(2)(w) forbids high-cost loans to allow “the borrower, for any part or all of the term of the loan, to make payments that are applied only to interest and not to principal.” To comply with both KRS 360.100(2)(w) and KRS 360.020(2), the Application of Payments section for high-cost loans reads as follows: “Except as otherwise provided in this note, each payment I make on this note will be applied first to any principal and interest currently due, then to late fees currently due, then to other charges currently due other than principal and interest and late fees, and then to principal.”

LOUISIANA

Mortgage Closed End (LA)

The title of the Mortgage Closed End (LA) has been updated to always print “Multiple Indebtedness Mortgage” for loans secured by collateral that is located in Louisiana.

NEW YORK

Affidavit Section 22-NY

The signature section of the Affidavit Section 22-NY has been updated to include the signatures of all the borrowers. The documents included only the first borrower’s signature prior to this change.

OREGON

Indexing Cover Sheet-OR

The space intended for recording information has been increased to 4.00 inches on the first page of the Indexing Cover Sheet-OR, so that, including the minimum 0.5-inch top margin, there will always be at least 4.50 inches of space at the top of the first page. Although there are no Oregon statutes governing recording stamps, each Oregon county recorder’s office has specific size and location requirements for the blank area reserved for recording information. Some counties require placement of their recording information on the first page, and some require the placement on the last page of the document. Lenders will be in compliance with every county recorder’s office requirements, if a space of 3 1/4 inches x 4 1/2 inches is reserved on the top right hand side of the first page and on the bottom of the last page of documents submitted for recording.

SOUTH CAROLINA

Notice of Waiver of Appraisal Rights (SC)

The Notice of Waiver of Appraisal Rights (SC) has been added for loans secured by real property that is located in South Carolina. This notice is used in all South Carolina loans to inform the borrower that the lender will be asking the borrower to waive his or her appraisal rights under SC Code 29-3-6-680.

Waiver of Appraisal Rights (SC)

The Waiver of Appraisal Rights (SC) has been added for loans secured by real property that is located in South Carolina. This disclosure is used in all South Carolina loans to allow the borrower to

waive his or her appraisal rights under SC Code 29-3-6-680. The disclosure must appear on the same page as the borrower's signature.

WASHINGTON

Disclosure Summary-Fixed Rate And Variable Rate Loan-WA

The Disclosure Summary-Fixed Rate And Variable Rate Loan-WA will no longer be selected as of October 3, 2015, when the federal Truth-in-Lending RESPA Integrated Disclosure (TRID) Rule becomes effective. This disclosure was originally required as a result of WAC 208-600-200, which implemented RCW § 19.144.020. However, on January 7, 2015, the Washington State Department of Financial Institutions issued Interpretative Statement 2015-001-DOB that announced that the separate disclosure summary was unnecessary, if the regulated institution (1) uses the integrated Loan Estimate form; or (2) uses the Truth-in-Lending Disclosure and Good Faith Estimate until the TRID Rule takes effect.

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