

What's New with the Documents

2015 November

Preface

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What's New

MULTI-STATE

Affiliated Business Arrangement Disclosure

The Affiliated Business Arrangement Disclosure has been revised to allow multiple property addresses to print when this document is selected in a multi-collateral transaction.

Closing Disclosure

Closing Disclosure Addendum

The Closing Disclosure and the Closing Disclosure Addendum have been revised to allow you to indicate that you wish to include the signature of an additional signer who occupies the property as his or her principal dwelling and is not releasing dower/curtesy rights or include the signature of an additional signer for a Texas home equity loan (in addition to borrower signatures). Instancing of these documents has been updated accordingly.

Condo/PUD Eligibility Checklist

Planned Unit Development Rider (Fannie Mae Freddie Mac 3150 PUD Rider)

Planned Unit Development Rider (FHA PUD Rider)

Planned Unit Development Rider (Rider-PUD Junior Lien)

Texas Home Equity Planned Unit Development Rider

Uniform Underwriting and Transmittal Summary

The document selection criteria for the Uniform Underwriting and Transmittal Summary, Planned Unit Development Rider (Fannie Mae Freddie Mac 3150 PUD Rider), Texas Home Equity Planned Unit Development Rider, Condo/PUD Eligibility Checklist, Planned Unit Development Rider (FHA PUD Rider) and Planned Unit Development Rider (Rider-PUD Junior Lien) have been updated, so that these documents are selected either when collateral is PUD or the indicator identifying a planned unit development is used.

Errors and Omissions Agreement

The document selection criteria for the Errors and Omissions Agreement has been updated by removing the residential check to ensure that this document is selected when the loan is secured by real estate or when the lender wants to use the document. Prior to this change, this document was not selected for loans secured by Raw Land-Real Estate.

Fannie Mae Freddie Mac 3108 Rider 1 Yr Treas 1 Percent Cap

Fannie Mae Freddie Mac 3108 Rider 1 Yr Treas 1 Percent Cap 3108 is the companion rider to the 3501 Note. The document selection criteria for Form 3108 has been revised to match the document selection for the 3501 Note, including the requirement to select the document whether or not the initial interest-only period is the same as the initial fixed rate period. In addition, the description of the document now reads, "This Rider supports the Fannie Mae 3501 Note 1 Year Treas 1 Percent Cap" to more accurately describe the purpose of this document. Form 3108 will not select when collateral is located in Texas.

Notice of Action Taken

The Notice of Action Taken has been updated by including the option to indicate, which credit score (along with the consumer reporting agency name and address) to disclose on the Notice of Action Taken. If the new indicator is not selected, information for the first consumer reporting agency that is passed will print on this document.

Notice Of Intent To Apply For Joint Credit

The Notice Of Intent To Apply For Joint Credit was updated to allow lenders to enter the document date on the document. Per Regulation B, Official Commentary 202.7(d)(1)-3, the Notice of Intent to Apply for Joint Credit should be executed and dated the same as the application date.

Notice of Right of Rescission

The document selection criteria for the Notice of Right of Rescission has been updated to select this document for a bridge loan that is secured by two different pieces of collateral (both of which are residential dwellings) where one is currently used as a principal dwelling and the other is to be used as a principal dwelling without regard to whether any of the relevant pieces of collateral is purchase money. Also, a common owner on two relevant pieces of collateral will receive separate instances for each relevant collateral/property address on a bridge loan.

In addition, the instancing criteria has been updated as follows:

- to select an instance for the beneficiaries of a living trust or Illinois land trust whenever there is an additional signer who occupies the property as his or her principal dwelling and is not signing the security instrument to waive rights of dower/curtesy; and
- to select an instance for an additional signer for a Texas home equity loan even if the signer is executing the deed of trust for purposes of releasing rights of dower/curtesy; and
- to eliminate an unnecessary instance for an additional signer of purchase money collateral; and
- to print the correct property address for the particular owner when there is more than one type of relevant collateral.

Notice of Special Flood Hazards for Nonparticipating Communities

Notice of Special Flood Hazards for Participating Communities

The Notices of Special Flood Hazards have been revised to match the new model language in the amended flood regulations. The main parts of this amendment are changes in the escrow requirement, 12 C.F.R. §22.5, 12 C.F.R. §760.5, and in the contents of the notice, 12 C.F.R. §22.9, 12 C.F.R. §760.9. The amended model language will go into effect on January 1, 2016, and may be used immediately.

The revised flood regulations include some new and revised sample notice forms and clauses. First, it amends the current Sample Form of Notice of Special Flood Hazards and Availability of Federal Disaster Relief Assistance, to add language concerning the escrow requirement. This new sample form is attached to the rules as Appendix A.

The rule includes an additional sample clause, called the Sample Clause for Option to Escrow for Outstanding Loans, as Appendix B, to assist institutions in complying with the requirement to inform borrowers of loans outstanding on January 1, 2016, about their option to escrow flood insurance premiums and fees.

The rule sets out a new exemption to the mandatory flood insurance purchase requirement for detached structures, meaning any structure that is a part of a residential property, but which is detached from the primary residential structure and which does not serve as a residence.

The new rule amends the force placement of flood insurance provisions to clarify that a lender or its servicer has the authority to charge a borrower for the cost of flood insurance coverage commencing on the date on which the borrower's coverage lapsed or became insufficient. It also sets out the circumstances under which a lender or its servicer must terminate force-placed flood insurance coverage and refund payments to a borrower. It also sets forth the documentary evidence a lender must accept to confirm that a borrower has obtained an appropriate amount of flood insurance coverage.

Proceeds From Real Estate Transactions (IRS1099S) Certification For No Information Reporting (IRS1099SSU)

The document selection criteria for the Proceeds From Real Estate Transactions (IRS1099S) and the Certification For No Information Reporting (IRS1099SSU) have been revised to ensure that these documents are selected for transactions secured by Raw Land.

Rider Interest Only Adjustable Rate

The document selection criteria for the Rider Interest Only Adjustable Rate has been revised, so that the document is selected whether or not the initial interest-only period is the same as the initial fixed rate period, as the document may be used in either scenario. This document is now selected for Fannie Mae or Freddie Mac loans that are variable rate, interest-only, and in a first lien priority position.

Settlement Certification

The document selection for the Settlement Certification has been updated to select it when required by a state statute, and not simply when the Integrated Disclosures are required. The document will select for a purchase money loan that is insured by the FHA and the application received date is on or after the TRID effective date or when an institution indicates the Integrated Disclosures are required.

Universal Credit Application-Real Estate Universal Credit Application-Real Estate (without government monitoring)

The documents have been updated by removing the parenthetical language "(as defined by state law; incl. domestic partnership, civil union)," which followed the term "Married" in the marital status checkboxes in the Applicant Information section on page 1.

This change was made as a result of the CFPB guidance issued on June 25, 2014, regarding *United States v. Windsor*, 133 S.Ct. 2675 (2013), which recognizes "the lawful marriages of same-sex couples for purposes of the statutes, regulations and policies enforced, administered, or interpreted by the Bureau." Footnote 3 explains the requirements and policies under the Equal

Credit Opportunity Act and Regulation B. "Consistent with the Bureau's policy, a person has the marital status of 'married' by virtue of being in a marriage under the laws of any jurisdiction, while a person has the marital status of 'unmarried' by virtue of being in a domestic partnership, civil union, or other relationship not denominated by law as a marriage."

CALIFORNIA

Impound Disclosure Waiver-CA

The first paragraph of the Impound Disclosure Waiver-CA has been revised to allow use by lenders that are required, and those that are not required, to pay interest on impound accounts. The revised paragraph will read, "For convenience, an impound account may be established on the Borrower(s) behalf with the Lender, for the payment of property taxes and hazard insurance premiums. The Lender will pay [user-entered interest amount] simple interest on money deposited into the impound account, if required by applicable law."

In addition, the Lender signature section has been added to the document.

Federal Sale Of Insurance Disclosure-CA

The Federal Sale Of Insurance Disclosure has been updated for transactions covered by California law to better comply with state law requirements. Specifically, two additional disclosures have been included in this document: 1) The insurance offered by the financial institution is not guaranteed by the financial institution, any affiliate of the institution, or any person that is selling insurance, and 2) The insurance may involve investment risk, including potential loss of value. [Cal. Insurance Code § 761(b)(2)(2015)]

Mortgage Loan Disclosure Statement DRE-CA

Mortgage Loan Disclosure Statement DRE Overflow-CA

The document selection for the Mortgage Loan Disclosure Statement DRE-CA and the Mortgage Loan Disclosure Statement DRE Overflow-CA have been updated to select them when required by a state statute, and not simply when the Integrated Disclosures are required. The documents will select for a non-interest only loan that is secured by residential real estate located in California and the mortgage broker has a California real estate broker license from the California Bureau of Real Estate with an application received date on or after the TRID effective date or when an institution indicates the Integrated Disclosures are required.

Recordable Documents

On September 22, 2015, the Office of the Assessor-Recorder for the City and County of San Francisco released a public service announcement stating that all documents pertaining to real property presented for recording must include the Assessor's Parcel Number and the "commonly-known situs" (i.e., street name and number) of the property. These requirements took effect on October 19, 2015.

The guidance from the announcement includes the following:

- Previously, only certain document types required the Assessor's Parcel Number and street information. This information is now required on every document pertaining to real property that is submitted for recordation in San Francisco. Failure to include this information will result in rejection of the document.

- The Assessor's Parcel number and street information must appear on the first page of the document.

You now have the option to include the Property Address in addition to the Assessor's Identification Number.

COLORADO

Assignment of Real Estate Security Instrument-CO

The Assignment of Real Estate Security Instrument has been revised to ensure that correct property location information is included. For transactions secured by property that is located in Colorado, the updated document includes a description of the county and the address where the subject property is located.

INDIANA

Notice to Borrower Prospective Borrower-IN

The Notice to Borrower Prospective Borrower-IN will no longer be selected because this document is not required for transactions that are subject to the TRID Rule. The Indiana Homeowner Protection Unit has posted a revised document HPU-01 to be used for loans that are subject to the TRID requirements. Subsequently, we have revised the document selection criteria for the Notice to Borrower Prospective Borrower-IN, so that it will not be selected. The document to be used when the loan is subject to TRID final rule was added to inventory and is named Notice to Borrower-IN. [IN Code 24-5-23.5-8(a)]

Notice To Borrower-IN

The Indiana Homeowner Protection Unit has posted a revised document HPU-01 to be used for loans that are subject to the TRID requirements, and the new Notice To Borrower-IN has been added to inventory as a result. This document is required for residential real estate loans that are subject to the TRID final rule when the collateral is located in Indiana. The Notice to Borrower Prospective Borrower-IN will no longer be selected because this document is not required for transactions that are subject to the TRID requirements. [IN Code 24-5-23.5-8(a)]

KENTUCKY

Assignment of Real Estate Security Instrument-KY

The Assignment of Real Estate Security Instrument has been revised to ensure that correct property location information is included. For transactions secured by property that is located in Kentucky, the updated document includes a description of the city in which the assignment is recorded. This change was needed because the city in which the document is recorded is not necessarily the same as the recording jurisdiction.

Federal Sale Of Insurance Disclosure-KY

The Federal Sale Of Insurance Disclosure has been updated for transactions covered by Kentucky law to better comply with state law requirements. Specifically, two additional disclosures have been included in this document: 1) The insurance offered by the financial institution is not guaranteed by the financial institution, any affiliate of the institution, or any person that is selling

insurance, and 2) The insurance may involve investment risk, including potential loss of value. [Ky. Rev. Stat. Ann. 304.9(2)(f)(4)(2015)]

MAINE

Attorney Agent Preference Notice-ME

The Attorney Agent Preference Notice-ME has been removed from inventory and the content it contained has been split into two documents to provide more clarity of choices available in different transactions. The Choice of Insurance Notice will provide the notice of right to choose the agent/insurer, and the new Right to Own Title Attorney Disclosure will provide the notice of right to choose a title attorney. This change was made in response to market need.

Choice of Insurance Notice-ME

The Choice of Insurance Notice-ME has been revised to include content from the Attorney Agent Preference Notice-ME, which has been removed from inventory. The Choice of Insurance Notice will provide the notice of right to choose the agent/insurer. This change was made in response to market need.

Right to Own Title Attorney Disclosure-ME

The Right to Own Title Attorney Disclosure-ME has been added to inventory as one of the documents that replaced the Attorney Agent Preference Notice-ME, which has been discontinued. The new document provides the notice of right to choose a title attorney and is selected for transactions involving residential real estate located in Maine where the lender requires an attorney to search the title of the subject real estate. This change was made in response to market need.

OREGON

Federal Sale Of Insurance Disclosure-OR

The Federal Sale Of Insurance Disclosure has been updated for transactions covered by Oregon law to better comply with state law requirements. Specifically, two additional disclosures have been included in this document: 1) The insurance offered by the financial institution is not guaranteed by the financial institution, any affiliate of the institution, or any person that is selling insurance, and 2) The insurance may involve investment risk, including potential loss of value.

TEXAS

Consumer Note-TX

The Texas Consumer Note has been updated to more closely follow Tex. Finance Code § 303.015. Under this statute, the 24 Percent Ceiling Notice is required only in transactions that are variable rate and not secured by real estate or a residence and that are not subject to Regulation Z. Prior to this change, the notice was included more often than required.

UTAH

Mortgage Loan Sale or Assignment Information-UT

The document selection for the Mortgage Loan Sale or Assignment Information-UT has been updated to select it when required by a state statute, and not simply when the Integrated Disclosures are required. The document will select for a closed end loan that is secured by real property located in

Utah with a loan term greater than two years, and the application is received on or after the TRID effective date or when an institution indicates the Integrated Disclosures are required.

VIRGINIA

Mortgage Loan Application Disclosure-VA

The Mortgage Loan Application Disclosure-VA has been updated to include a box around the lender and borrower signatures to more closely follow the requirements for this notice that are found in Virginia Code Section 6.2-406, and especially 6.2-406(2), which requires applicants and lenders to initial the statement that all the loan terms not legally locked in are subject to change until settlement. In addition, the language of the last paragraph has been modified to include, "unless as otherwise required by federal law." This is to ensure that the document remains compliant with the new federal TILA-RESPA guidelines regarding the timing of locking loan terms.

WEST VIRGINIA

Deed of Trust, Fannie Mae/Freddie Mac 3049

Deed of Trust with MERS, Fannie Mae/Freddie Mac 3049

The West Virginia security instrument has been revised to follow updates to Fannie Mae/Freddie Mac model form 3049 with a revision date of 8/15. This update follows revisions to the state's Consumer and Credit Protection Act. Text revisions were made to sections 1, 2, 9, 14, 19, and 22. The "Attorneys' Fees" section has also been removed. Permissive use immediately, mandatory for all West Virginia loans closed on or after January 1, 2016.

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