

What's New with the Documents

2015 December

Preface

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What's New

MULTI-STATE

Adjustable Rate Mortgage Disclosure Fannie Mae Freddie Mac Initial Interest Rate Adjustment Notice-HE

The Adjustable Rate Mortgage Disclosure Fannie Mae Freddie Mac and the Initial Interest Rate Adjustment Notice-HE have been updated to ensure that the Index source prints correctly. Prior to this change, the Index source was not included in some cases.

Cash Flow Analysis (Fannie Mae Form 1084)

The document VMP39, Cash Flow Analysis, has been revised to follow Fannie Mae model form (Form 1084) with a revision date of 8/25/2015. Changes are being made throughout the document to incorporate policy updates and to improve ease of use. The instructions are also being added to the document, which will increase the page count. Lenders must use the updated document for mortgage loans with application dates on or after February 1, 2016.

Closing Disclosure

The Loan Disclosures section, Escrow Account subsection, of the Closing Disclosure has been updated to ensure that Flood Insurance is included among non-escrowed property costs when applicable. This information appears in the Non-Escrowed Property Costs over Year 1, and should include the listing of applicable non-escrowed costs after the statement reading, "Estimated total amount of year 1 for your non-escrowed property costs." [12 C.F.R. 1026.38(l)(7)(i)(A)(2) and Comment 38(l)(7)(i)(A)(2)-1]

Disclosure Notices

The Affidavit of Occupancy section of the Disclosure Notices has been revised to clarify the language regarding occupancy of the primary residence. Prior to the revision, the statement, 'Primary Residence - Occupied by Applicant(s) within 60 days of closing' was included when the intended use for the property was indicated as the primary residence. This statement was updated to read, 'Primary Residence - Occupied by Applicant(s) within 60 days of closing or 60 days after the Property shall first become ready for occupancy as a habitable dwelling, whichever is later.'

Fannie Mae 1008 Freddie Mac 1077 Underwriting Transmittal Summary

The Fannie Mae 1008 Freddie Mac 1077 Underwriting Transmittal Summary has been updated to ensure that the credit score is correctly disclosed. As a result, multiple credit scores may print, separated by commas, without causing an error.

Fannie Mae Freddie Mac 3200 Conventional and VA Fixed Rate Note

The Fannie Mae Freddie Mac 3200 Conventional and VA Fixed Rate Note has been updated to include the title of the lender's contact person, if it is passed in a transaction, along with the name.

Mortgage Closed End**Mortgage-Fannie Mae Freddie Mac****Mortgage-Fannie Mae Freddie Mac Junior Lien**

South Dakota Mortgage documents have been revised to ensure that the title text appears in all caps to meet the requirements of South Dakota law.

The revised documents contain the following statements in printed or typed capital letters: 'THE PARTIES AGREE THAT THE PROVISIONS OF THE ONE HUNDRED EIGHTY DAY REDEMPTION MORTGAGE ACT GOVERN THIS MORTGAGE' and 'MORTGAGE -- ONE HUNDRED EIGHTY DAY REDEMPTION.' [S.D. Codified Laws § 21-49-12]

Note-Consumer

The Additional Charges subsection, Interest and Other Charges Section, of the Note Consumer has been revised. Prior to this change, the language in the first paragraph referred to RESPA and TILA, and should instead reference the Loan Estimate and the Closing Disclosure because there are scenarios where a loan may not be subject to RESPA, but is subject to the TRID rule.

The updated paragraph is included for loans with an application received date on or after October 3, 2015, and reads, 'The Loan Estimate and Closing Disclosure that were given to me list the fees and charges that apply to this loan.'

Notice of Right of Rescission

The Notice of Right of Rescission has been revised to ensure that the NMLS number is included on the additional party copy, when the lender is in South Carolina. Prior to this change, the NMLS number was included on the Borrower's/Owner's copy, but for additional parties.

Request for Copy of Tax Return-IRS4506

The Request for Copy of Tax Return-IRS4506 has been updated to match IRS changes to the document published in October 2015. The required usage date is March 1, 2016.

Changes to the document include adding a new checkbox serving as an attestation by the signer that he/she is authorized to sign the document, and minor changes to the document instructions, including a warning that the document will not be processed unless the new checkbox is checked, and an informational note addressed to persons completing the document for a trust or estate as an heir at law, next of kin, or beneficiary.

There is now a space for the Loan Number reference on the top of the document, which will print when the lender indicates they want to include the Loan Identifier. The new checkbox is available to be manually checked by the signer of the document.

Universal Credit Application Real Estate**Universal Credit Application Real Estate WOG**

The Universal Credit Application Real Estate and the Universal Credit Application Real Estate WOG have been revised to enhance the functionality of the field that calculates the proposed total amount of combined monthly housing expenses (on page 2, Section 6 of the document). The calculation was updated to include the first instance of debts with the proposed monthly payment

amount filled out rather than including the first instance of the debt (whether or not the proposed monthly payment amount is filled out or not). Existing debts are often pulled into the system from a credit report, so the first instance of a debt may be paid off with the loan or by some other means. Prior to this change, you would have to manually reorder these debts to get the proper total to calculate. This will no longer be needed because existing debts that should not be included in the calculation will not have a proposed monthly payment amount.

CALIFORNIA

Deed Of Trust (RE-DT-CA)

Deed Of Trust FHA (VMP4RCA)

Deed Of Trust FHA with MERS (VMP4NCA)

Deed Of Trust FNMA/FHLMC (VMP6CA)

Deed Of Trust FNMA/FHLMC with MERS (VMP6ACA)

The Deeds of Trust for California have been revised to support the option to indicate the exemption from the Real Estate Fraud Fee as identified in California GC Section 23788.

This change was prompted by California Assembly Bill 661, which amended CA Government Code Section 27388(a) and became effective on January 1, 2016. When a transaction is exempt from the Real Estate Fraud Fee, the reason for the exemption must be noted on the document or on a separate signed affidavit, if the recording county's board of supervisors adopted a resolution to collect the fee.

The revised deeds of trust include appropriate exemption language depending on whether (a) the instrument is being recorded at the same time as another instrument for which the fee has been paid, or (b) if the fee has been paid previously.

LOUISIANA

Mortgage Closed End-LA

The notary section of the Mortgage Closed End-LA has been revised, so that the notary signature appears once at the end of the parties' signatures and once after the lender signature. Previously, when property was located in Louisiana and a lender signature was included on the Mortgage Closed End-LA, two notary signatures were printing after the lender signature. With this structure it was difficult to identify, which signature block the notary signature belonged with.

MISSISSIPPI

Indexing Cover Sheet (MS)

The Indexing Cover Sheet (MS) has been revised to ensure that the Return To, Prepared By, Prepared By Phone and Indexing Instructions are included to meet Mississippi recording requirements. [Miss. Code Ann. § 89-5-24]

NEW YORK

Application Disclosure-NY

The Application Disclosure-NY discloses various fees and charges, as well as assignment, prepayment and lender contact information to the borrower. The selection rules for this document have been revised to ensure that it is selected when required.

Prior to the revision, this document was selected only for purchase money loans in which a lender would receive a commitment fee or discount points, and the borrower or owner occupied the property as a principal dwelling. The document will now be selected for all purchase money loans that are secured by an owner-occupied dwelling (that is, the property does not have to be a principal dwelling), regardless of any fees being charged, and for non-purchase money loans that are secured by an owner-occupied dwelling, if the lender will receive a commitment fee or discount points. We removed the requirement that the property be occupied by the borrower because the applicable regulations apply only to owner-occupied properties. [3 NYCCR Sections 38.1, 38.3(b), 39.5]

Interest Rate Lock Commitment-NY

The Interest Rate Lock Commitment-NY is developed by the NY Banking Department to facilitate compliance with Part 38.4(a) of NY General Regulations of the Banking Board. This document is required at the time of commitment for a loan to purchase a real property owner-occupied dwelling or before collecting an upfront application, appraisal, or credit report fee.

The selection rules for this document have been revised to ensure that it is selected when required. Previously, this document was selected only for purchase money loans in which a lender would receive a commitment fee or discount points or an upfront application, appraisal, or credit report fee, and the borrower occupied the property as a principal dwelling. The revised selection rules ensure that the document is selected for all purchase money loans that are secured by an owner-occupied dwelling (that is, it does not have to be a principal dwelling), regardless of any fees being charged, and for non-purchase money loans that are secured by an owner-occupied dwelling, if the lender will receive a fee other than an application, credit report, or appraisal fee prior to closing. The New York Department of Financial Services model form broadly applies to any fee charged prior to closing other than application, credit report, or appraisal fees. We removed the requirement that the property be occupied by the borrower because the applicable regulations apply only to owner-occupied properties. [3 NYCCR Sections 38.1, 38.4(a), 39.5]

Lien Law Rider To Building Loan Contract-NY (VMP1560NY)

The New York Lien Law Rider to Building Loan Contract (VMP1560NY) has been added to inventory. This document may be used, when appropriate, as a Rider to a New York building loan agreement. If the real property that secures the loan is located in New York and there is a promise to use mortgage loan proceeds to improve the property, New York Lien Law applies. Under NY Lien Law, the Building Loan Contract should contain the content of the Rider. If the Building Loan Contract itself contains the language in this rider, then this rider is not necessary.

The New York Lien Law Rider to Building Loan Contract supports, in particular, Section 13 of New York Lien Law. The document supports loans for purchase and 'cost of improvements' only, the last as defined by Section 2, New York Lien Law, and does not support public improvements.

Notice of Lending-NY

The Notice of Lending-NY has been revised to better support Sections 13, 22, 70, and 73 of New York Lien Law. If the real property that secures the loan is located in New York and there is a promise to use mortgage loan proceeds to improve the property, New York Lien Law applies. This document will support loans for the purchase and "cost of improvements" only, as defined by Section 2, New York Lien Law. The Notice of Lending-NY will not support public improvements.

Prevailing Interest Rate Commitment-NY

The Prevailing Interest Rate Commitment-NY is required by part 38.5(a) of NY General Regulations of the Banking Board and is used when the proceeds will finance the acquisition of a dwelling or where a fee other than an application fee, property appraisal fee or credit report fee is taken prior to closing.

The selection rules for this document have been revised to avoid over-selection. Prior to this change, this document was selected for all dwelling-secured loans. This document is now selected only for owner-occupied dwellings because the applicable regulations apply only to this occupancy type. In addition, this document is now selected only when the lender indicates that a prevailing interest rate loan commitment is issued. [3 NYCCR Sections 38.1, 38.5(a), 39.5]

OHIO

Escrow Account Disclosure-OH

The Escrow Account Disclosure-OH has been revised to ensure that the Total Regular Monthly Payment correctly reflects the first payment schedule amount. Prior to this change, the product was inadvertently adding all of the Payment Schedule amounts and overstating the Total Monthly Payment value.

TEXAS

Withholding Tax Requirements Notice (ME)

The Additional Charges subsection, Interest and Other Charges Section, of the Note Consumer-TX has been revised. Prior to this change, the language in the first paragraph referred to RESPA and TILA, and should instead reference the Loan Estimate and the Closing Disclosure because there are scenarios where a loan may not be subject to RESPA, but is subject to the TRID rule.

The updated paragraph is included for loans with an application received date on or after October 3, 2015, and reads, 'The Loan Estimate and Closing Disclosure that were given to me list the fees and charges that apply to this loan.'

WISCONSIN

Explanation of Personal Obligation-WI

The document instance name for the Explanation of Personal Obligation has been revised to clarify that this is a Wisconsin specific document under Wis. Stat. 422.305, and has been updated as Explanation of Personal Obligation-WI. This document is selected if (a) There is an individual cosigner, borrower treated as a cosigner, or guarantor, AND (b) the amount financed is \$25,000 or less, AND (c) either (1) the loan is subject to the Wisconsin Consumer Act, OR (2) the loan is secured by a first lien mortgage on real property collateral located in Wisconsin.

Note Consumer-WI

The Note Consumer-WI has been updated to ensure that the provision stating that the obligation is incurred in the interest of the marriage or family for married Wisconsin borrowers is included regardless of the jurisdiction governing the transaction. [Wis. Stat. 766.55(1)] Wisconsin is a community property state, and this statement, when signed at or before the time the obligation is incurred, is conclusive evidence that the obligation is incurred in the interest of the marriage or

family. [Wis. Stat. 766.55(1)] The inclusion of this statement hinges on the permanent address of the borrower regardless of the jurisdiction that governs the loan.

The Additional Charges subsection, Interest and Other Charges Section, of the Note Consumer-WI has been revised. Prior to this change, the language in the first paragraph referred to RESPA and TILA, and should instead reference the Loan Estimate and the Closing Disclosure because there are scenarios where a loan may not be subject to RESPA, but is subject to the TRID rule.

The updated paragraph is included for loans with an application received date on or after October 3, 2015, and reads, 'The Loan Estimate and Closing Disclosure that were given to me list the fees and charges that apply to this loan.'

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