

What's New with the Documents

2016 March

Preface

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What's New

MULTI-STATE

Borrower's Certification and Authorization

The Borrower's Certification and Authorization has been revised to meet market needs. Fields used to identify the Lender entity were replaced with a reference to "Mortgage Loan Originator." The section heading "Notice to Borrowers" was renamed to say, "Notice to FHA or VA Borrowers." Within the Notice to FHA or VA Borrowers text, references to "HUD/FHA" were replaced with "the Department of Housing and Urban Development or Department of Veterans Affairs."

Closing Disclosure

Closing Disclosure Addendum

The Closing Disclosure and the Closing Disclosure Addendum have been updated to include the names of additional parties under Borrower at the top of the first page of these documents. The Borrower section will now also include non-borrowing owners and additional signers for Texas Home Equity loans or for transactions where dower/curtesy rights are not waived.

Prior to this change, non-borrowing owners and additional signers were only included in Addendum signatures and Closing Disclosure instancing rules. Since these parties will now be included in the Borrower name field, we will no longer require indicators (other than the general indicator to include signatures) for including signatures of non-borrowing owners and additional signatures. These parties will now be included as Borrowers and in signatures (when the lender elects to include signatures on the Closing Disclosure). The indicators that were previously used to include the signatures of these parties (Include Non-borrowing Owner Signature and Include Additional Signer Signature) have been removed.

These changes were made on customer request and as a result of non-binding guidance provided by the CFPB. The Closing Disclosure should be provided to all consumers, and this would include those parties with an ownership interest in the real estate (that is, parties that are entitled to a Right of Rescission notice). [12 CFR § 1026.38(a)(4)]

Loan Information Report

The Loan Information Report has been updated to include a table of fees that affect the APR. Prior to this change, the document only listed the fees that do not affect the APR under Fees and Charges Detail. We now added a similar table that itemizes fees that affect the APR, as well.

The Loan Information Report has been updated to include all of the collateral owners' names in the Collateral Information section. Previously, only the first owner's name was included, which caused errors in some cases (e.g., the middle name of the second collateral owner may have been included, if no middle name was provided for the first collateral owner).

Mortgage Interest Statement 1098

The Mortgage Interest Statement 1098 has been revised for use when reporting amounts in calendar year 2016 (and not before). New fields have been added specifically for recording: the outstanding mortgage principal as of the first day of the calendar year, the mortgage origination date, any refund of overpaid interest, and mortgage insurance premiums. A new check box has also been added to indicate when the address of the property securing the mortgage is the same as the borrower's address, and if not, new fields collecting either the address of the property securing the mortgage, a legal description of the property if one is passed, or a general description of the property if neither address nor legal description are passed. The field for "Other" information (i.e., real estate taxes or insurance paid from escrow) has been clearly labeled. Additional instructions have been provided by the IRS for use of all of these fields. This document is mandatory for use as of January 1, 2016. [PL 114-41, Sec. 2003, amending Section 6050H(b)(2) of the Internal Revenue Code of 1986].

Mortgage Loan Commitment

The selection rules for the Mortgage Loan Commitment have been revised to ensure that this document is no longer selected, if a lender issues a New York Prevailing Interest Rate Commitment or a New York Interest Rate Lock Commitment.

Notice to Settlement Agents

The Notice to Settlement Agents has been revised to replace references to HUD-1 with "Closing Disclosure." A reference has also been added to the first sentence of the first paragraph advising lenders to instruct Settlement Agents to close the transaction per underwriting and approval, to more closely follow the reference in the current FHA handbook. A minor change has been made to the last sentence of the document, deleting the words "be completed to." The revisions are effective for all loans with case number assignment on or after September 14, 2015, that are closed after release of the revised document.

Private Mortgage Insurance Disclosure

The name of the document displayed on the Document Data page for the Private Mortgage Insurance Disclosure has been revised to say, "Private Mortgage Insurance Disclosure."

Recordable Documents

Various recordable documents have been updated to support, where applicable, several additional options under Recording Jurisdiction Region Type that were previously visible, but unused. These options are: Recording District, Town and State. Affected recordable documents include the following: Mortgages, Deeds of Trust, Indexing Cover Sheets, Assignments of Real Estate Security Instrument, Riders, and other documents that are submitted for recording.

Risk Based Pricing Notice

Risk Based Pricing Notice Credit Score

The Risk Based Pricing Notice and the Risk Based Pricing Notice Credit Score have been updated to ensure that the Free Report Internet Address will wrap to a new line, if it consists of more than 20 characters. This addresses an issue where the address was being cut off in some cases.

Universal Credit Application Real Estate Supplement

The Universal Credit Application Real Estate Supplement has been revised to ensure that an asterisk is included next to a debt only when applicable. The asterisk should only print when the debt will be satisfied by the sale or refinancing of the real estate associated with the loan. Prior to this change, the asterisk was included more often than required.

ALABAMA

Motor Vehicle Power Of Attorney-AL

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-AL has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. Additional revisions ensured that the description of other authorization powers is included only as applicable, and no errant commas print when no address information is provided. The Motor Vehicle Power Of Attorney-AL is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Alabama.

ARIZONA

Motor Vehicle Power Of Attorney-AZ

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-AZ has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-AZ is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Arizona.

CALIFORNIA

Deed of Trust-Fannie Mae Freddie Mac Junior Lien-CA

The rules for completing lienholder information for purposes of the Deed of Trust-Fannie Mae Freddie Mac Junior Lien-CA have been updated to ensure that when there is more than one lienholder specified in the transaction, the information about the lienholder with the first priority is included in the Request for Notice of Default section for loans secured by collateral located in the State of California. This change was needed because the Deed of Trust-Fannie Mae Freddie Mac Junior Lien is designed to support only a single existing lienholder.

Recordable Documents

In January, 2016, we incorrectly announced that the Indexing Cover Sheet-CA was being added to support the option to indicate an exemption from the Real Estate Fraud Fee, as identified in California Government Code Section 23788. The exemption information has been added, but not as a separate document. Rather, the statement will be included on recordable documents, as applicable.

The information will be used when a document presented for recording does not include the exemption declaration language on the initial page, but may qualify for fee exemption status. The appropriate exemption language will be included 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.

Several California recordable documents have been updated by ensuring that the exemption text will appear below the recoding requirements area. Updated documents include: Assignment Of Real Estate Security Instrument, Assignment-Leases and Rents, Deed Of Trust-Fannie Mae Freddie Mac Junior Lien, Landlord Lien Subordination Agreement, Deed of Trust-Fannie Mae Freddie Mac, FHA Deed Of Trust, and Deed Of Trust Closed End.

DELAWARE

Motor Vehicle Power Of Attorney-DE

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-DE has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-DE is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Delaware.

FLORIDA

Motor Vehicle Power Of Attorney-FL

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-FL has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-FL is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Florida.

GEORGIA

FHA Deed of Trust-GA

The Signatures section of the FHA Deed of Trust-GA has been updated to avoid duplication of the borrower's signature. Prior to this change, two sets of signature lines were being included in error.

Motor Vehicle Power Of Attorney-GA

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-GA has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-GA is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Georgia.

KENTUCKY

Errors and Omissions Agreement-KY

The Errors and Omissions Agreement-KY has been updated for consistency with the notary acknowledgement that is included in this and other documents. Specifically, the section at the top of the Errors and Omissions Agreement has been updated to include "Commonwealth of" instead of "State of" when the execution jurisdiction is Kentucky. A spacing and capitalization issue has also been fixed in the "State of" statement in cases where the execution jurisdiction is not Kentucky, Massachusetts, Pennsylvania, Virginia or the District of Columbia.

MARYLAND**Counseling Notice-MD**

The Counseling Notice-MD (Important Notice Regarding Housing Counseling) has been revised to update the list of agencies approved for Maryland. The boxed notice on the last page includes the revised dates indicating when the list was last updated.

MASSACHUSETTS**Errors and Omissions Agreement-MA**

The Errors and Omissions Agreement-MA has been updated for consistency with the notary acknowledgement that is included in this and other documents. Specifically, the section at the top of the Errors and Omissions Agreement has been updated to include "Commonwealth of" instead of "State of" when the execution jurisdiction is Massachusetts. A spacing and capitalization issue has also been fixed in the "State of" statement in cases where the execution jurisdiction is not Kentucky, Massachusetts, Pennsylvania, Virginia or the District of Columbia.

Mortgage Review Letter-MA

The Mortgage Review Letter-MA (VMP963MA) has been revised to conform substantively with Appendix A of the November 5, 2015, Industry Letter Regarding the Regional Mortgage Review Boards issued by the Massachusetts Division of Banks.

Applicants who claim to have been discriminated against in the application process, and whose application has been denied, have the right to a hearing before a Mortgage Review Board. Loan applicants must be given this notice at the time of denial advising them of their right to appeal the denial. Appendix A contained several substantive changes to the form, and the Mortgage Review Letter-MA has been revised accordingly. [MA Gen Law Ch 167, Section 14A]

MICHIGAN**Motor Vehicle Power Of Attorney-MI**

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-MI has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-MI is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Michigan.

Michigan Documents

Michigan law requires certain information be included in all notary public signature areas on each record for which they perform a notarial act, and additional information if they are performing a notarial act in a county other than the county of their commission. The notary rules have been modified for Michigan to include the statement "Notary public, State of Michigan, County of ____" and a new line for "Acting in the County of ____". [Section 27, PA 238 of 2003 (MCL 55.287)]

NEBRASKA**Deed of Trust-Fannie Mae Freddie Mac Junior Lien-NE**

The rules for completing lienholder information for purposes of the Deed of Trust-Fannie Mae Freddie Mac Junior Lien-NE have been updated to ensure that when there is more than one

lienholder specified in the transaction, the information about the lienholder with the first priority is included in the Request for Notice of Default section for loans secured by collateral located in the State of Nebraska. This change was needed because the Deed of Trust-Fannie Mae Freddie Mac Junior Lien is designed to support only a single existing lienholder.

NEW MEXICO

Deed of Trust Closed End-NM

Mortgage Closed End-NM

The selection rules for the New Mexico security instruments have been updated to select a deed of trust only when the new **Provide a Deed of Trust Instead of a Mortgage** indicator is selected on the Document Data page. The mortgage form of security instrument will be selected otherwise. This update helps prevent a scenario where a lender could have an unenforceable lien, if it does not use a mortgage for a New Mexico “home loan.” NM statute 58-21A-1, Home Loan Protection, in 58-21A-3J defines a “home loan” as a loan secured by a 1-4 family structure or manufactured home occupied by a borrower as their principal residence. A “home loan” must be foreclosed judicially/ use mortgage. [NMSA § 58-21 A-3 (J)]

OKLAHOMA

Notice Regarding Title Protection Documents-OK

The selection rules for the Notice Regarding Title Protection Documents-OK support transactions secured by more than one piece of real estate collateral. A separate Notice Regarding Title Protection Documents-OK will now be selected for each relevant collateral type, and will include information (e.g., location address) for that collateral.

OREGON

Escrow Account Option Notice-OR

The Escrow Account Option Notice-OR has been revised by removing the language regarding mandatory interest payments when the lender is a federal credit union. Federal credit unions are not bound by state law regarding interest payment on escrow accounts. Under OR Rev. Stat. Section 86.255, a lender must provide this escrow disclosure, if the lender and the borrower have agreed to maintain an escrow account for the borrower. If the lender is not a federal credit union, the disclosure must state, among others, whether the lender will pay interest and if so, the rate. [12 CFR §701.35(c), NCUA Opinion Letters OL1991-0503 & OL1996-0106]

PENNSYLVANIA

Errors and Omissions Agreement-PA

The Errors and Omissions Agreement-PA has been updated for consistency with the notary acknowledgement that is included in this and other documents. Specifically, the section at the top of the Errors and Omissions Agreement has been updated to include “Commonwealth of” instead of “State of” when the execution jurisdiction is Pennsylvania. A spacing and capitalization issue has also been fixed in the “State of” statement in cases where the execution jurisdiction is not Kentucky, Massachusetts, Pennsylvania, Virginia or the District of Columbia.

TENNESSEE

Deed of Trust Closed End-TN

The Deed of Trust Closed End-TN has been revised to ensure that the header stating, "This instrument secures a high-cost home loan as defined in Tennessee Code Annotated, Title 45" is included only when required (that is, for high-cost loans made by lenders that are not exempt from the Tennessee Home Loan Protection Act of 2006 (TLHPA)). [Tenn. Code Sections 45-20-101 through 45-20-111]

Motor Vehicle Power Of Attorney-TN

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-TN has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. Instanting rules have also been updated to ensure that an instance is selected for each owner of the collateral. The Motor Vehicle Power Of Attorney-TN is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Tennessee.

TEXAS

Motor Vehicle Power Of Attorney-TX

The name of the document displayed on the Document Data page for the Motor Vehicle Power Of Attorney-TX has been revised to include the name of the owner, as well as the piece of collateral for which the instance is being selected. This change helps resolve a duplicate document error, which is no longer occurring. The Motor Vehicle Power Of Attorney-TX is selected when the user elects to use this document for loans secured by a mobile home that is located in the State of Texas.

VIRGINIA

Errors and Omissions Agreement-VA

The Errors and Omissions Agreement-VA has been updated for consistency with the notary acknowledgement that is included in this and other documents. Specifically, the section at the top of the Errors and Omissions Agreement has been updated to include "Commonwealth of" instead of "State of" when the execution jurisdiction is Virginia. A spacing and capitalization issue has also been fixed in the "State of" statement in cases where the execution jurisdiction is not Kentucky, Massachusetts, Pennsylvania, Virginia or the District of Columbia.

Owner's Title Insurance Coverage Notice-VA

The signatures section of the Owner's Title Insurance Coverage Notice-VA has been updated to include only the owner signatures and to remove the signatures of additional signers. The additional signer signatures have been removed to more closely follow Virginia statutory requirements. Under Virginia law, only the purchasers of the real estate need be given and sign this notice. Additional signers only have an inchoate ownership interest and are not actual purchasing owners. [Va. Code Ann. § 38.2-4616]

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