

NEW FILE OR NOT?

There is currently one situation that requires a new file set up once the loan has been moved into processing status.

Removing a borrower from the loan for bad credit and RESPA has already been sent. LO to email Disclosure department with the turndown request & then set up a new file in only the qualifying borrower's name.

ALL OTHER SCENARIOS ARE LISTED BELOW.

2 Borrowers to 1 Borrower

Removing a borrower for bad credit:

- ➔ If RESPA has been sent, LO to email Disclosure with the turndown request and set up a new file (same example as listed above).
- ➔ If RESPA has not been sent, remove the non-qualifying borrower and keep current file.
- ➔ If loan is locked, LO to alert the Lock desk that the borrower was removed so they can update the lock.

Removing a borrower by borrower request:

- ➔ If a borrower requests to be removed from the loan, LO to alert Disclosure. Disclosure will send a COC (change of circumstance) with a full new RESPA. Both RESPA will remain in the file for compliance purposes.
- ➔ If loan is locked, LO to alert the Lock desk that the borrower was removed so they can update the lock.

1 Borrower to 2 Borrowers

- ➔ LO to add the borrower and notify Disclosure. Disclosure to send a COC with a full new RESPA. Both RESPA will remain in the file for compliance purposes.

PROGRAM CHANGE

FHA, Conv or VA to USDA → COC, LE and additional USDA docs need sent if borrower has already signed original RESPA. If they have not signed original RESPA, then whole new RESPA.

FHA, USDA or VA to Conventional → COC and LE if borrower has already signed original RESPA. If they have not signed original RESPA, then whole new RESPA.

Conv, VA or USDA to FHA → COC, LE and additional FHA docs need sent if borrower has already signed original RESPA. If they have not signed original RESPA, then whole new RESPA.

Conv, FHA or USDA to VA → COC, LE and additional VA documents if borrower has already signed original RESPA. If they have not signed original RESPA, then whole new RESPA is sent.

Loan type change

- ➔ Fixed loan to an ARM → COC, LE and ARM disclosure need sent if borrower has already signed RESPA. If they have not signed original RESPA, then whole new RESPA.
- ➔ ARM to a fixed loan → COC and LE need sent if borrower has already signed RESPA. If they have not signed original RESPA, then whole new RESPA.

NOTE: If two full RESPA in file, both RESPA will remain in the file for compliance purposes.

PQ to Refi

- ➔ If a true PQ and no application date, use same file.

Purchase to Refi

- ➔ If no application date, use same file.
- ➔ If application date, start a new file.
- ➔ If loan is locked, LO to alert Lock desk.

Refi to Purchase

- ➔ Always start a new file.

Withdrawn vs. Turndown

- ➔ Withdrawn files are by borrower request.
- ➔ Turndown files are by Equity decision.
- ➔ If the file is withdrawn and within 3 business days, file can be reactivated but RESPA must go out within 3 days of the original application date.
- ➔ If the file is withdrawn and it is AFTER 3 business days, the file can only be reactivated if RESPA was previously sent out.
- ➔ If the file is a turndown and it is within 3 business days, the file can be reactivated but RESPA must be sent within 3 days of the original application date.
- ➔ If the file is a turndown and it is AFTER 3 business days, the file can only be reactivated if RESPA was previously sent out.
- ➔ If the file is a turndown and it is AFTER 3 business days and no RESPA was sent, a new file must be set up.

All reactivation requests must be requested through the Disclosure Manager. It will be checked to make sure that no reporting (HMDA, MCR) has taken place on the loan and moved appropriately back into the my pipeline folder.

EQUITY
RESOURCES, INC.
mortgages

