ORIGINATION SIDE USER'S MANUAL

OpenClose User's Manual Build 201

April 2018

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Addendums:

The following Addendums follow this manual:

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Introduction

Welcome to **OpenClose**.

OpenClose is a Web-based mortgage banking software application, which allows users to seamlessly handle a loan through the entire process -- from OPEN to CLOSE! **OpenClose** significantly increases the number of loans that can be originated, processed, and funded while reducing associated costs.

The application's modular design allows for Web-based originating, processing, and managing of loans including the tools for uploading loans, digital document management and storage, product and pricing, locking, underwriting, secondary marketing, and back office mortgage banking tasks.

The **OpenClose** system identifies users in three categories. **Originator** users, **Lender Employees,** and **Administrators**.

OpenClose has two "sides" of the system. **Loan Officers**, **Brokers** and their **Processors** use The **Origination Side** to create new loans, price and lock loans, and prepare them for underwriting. Operations users such as, **Underwriters, Processors, Loan Openers, Closers, Post Closers, Lock and Secondary Employees, Accounting Employees**, etc., use the **Lender Side**. In **OpenClose**, **Lender Side** (Operations) users are referred to as **Lender Employees.**

Origination Side users work for a **Broker Company** or **Retail Branch;** both will be referred to as **The Company** throughout this manual. Companies may have branches under them within **OpenClose**.

Lender Employees work for the organizations who underwrite and fund loans. These organizations will be referred to as **The Lender** throughout this manual.

In keeping with this concept of two sides of the system, there are two sides of the loan. The **Origination Side Loan** and the **Lender Side Loan**. Think of this as two copies of a paper loan file. The copy that the **Originator** keeps for his/her reference and the copy s/he turns into the **Lender** for underwriting and funding. As the loan moves through the process, and users take various actions, both copies of the loan will be updated. However, there are limitations as to what data can be changed by various user types at different points in the process. As an example, an **Originator** cannot make changes to the 1003 data in the **Lender's** file once it has been submitted for underwriting, but s/he can price it and lock the rate.

About This Manual

The purpose of this manual is to provide the reader with the necessary information to be an effective user. **OpenClose** is a configurable product, so implementation may differ slightly from the information presented in this manual.

Note: This manual assumes the user has an understanding of the mortgage origination business. It is not meant to instruct a novice in the mortgage industry.

Conventions Used in This Manual

This manual uses certain conventions to help the user easily identify special terms and concepts.

- Page components, system terms, menu options, buttons, and actions are in a larger font and in bold.

     For example: **Add a Loan**

- Text with emphasis is in italics.

     For example: you *must* save your data.

Audience

Note: The **OpenClose** system identifies users in three categories. **Originator** users, **Lender Employees,** and **Administrators**. **Loan Officers** and **Brokers** are referred to as **Originators** throughout the manual.

This version of the manual is intended for **Origination Side Users**. However, it contains chapters describing job functions that *may or may not be* the responsibility of **Originators** and their **Processors**. Users should confer with management as to their particular responsibilities and consult applicable chapters and sections.

System Requirements

OpenClose is a Web-based application that runs over the Internet. No software, with the exception of a Web browser and Adobe® PDF Reader, is needed to use **OpenClose**. In some cases, Microsoft® Silverlight® must also be installed. There are, however, a few system requirements users need to access the site.

Web Browser

Currently, Microsoft® Internet Explorer® (IE) is the *only* supported browser (i.e., Firefox®, Chrome®, Safari®, etc. are *not* supported). In addition, users must be running IE version 10 or higher to use **OpenClose**.

Note: **OpenClose** highly recommends the use of Internet Explorer version 11.

Browser Recommendations

If a user is running an earlier version of Internet Explorer, s/he may not be able to login to **OpenClose**. The user will see an error message, which reads:
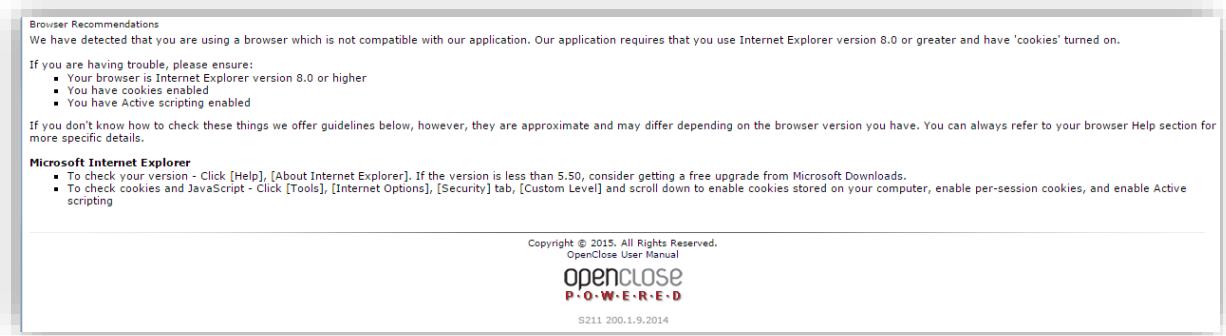
Internet Explorer® should be in compatibility mode for the **OpenClose** site. To enable **Compatibility View Settings** when using IE 11 click the **IE Tool** icon and select **Compatibility View Settings** as shown here:
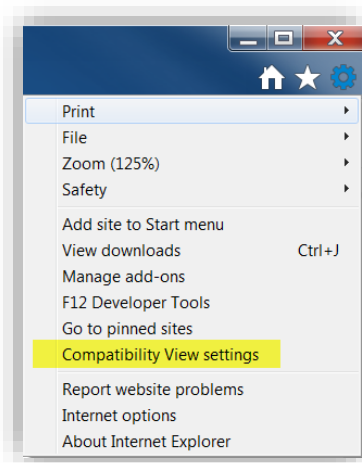
To enable **Compatibility View Settings** when using IE 10, click the torn piece of paper icon next to the URL. When IE 10 is in **Compatibility View** the torn piece of paper icon will turn from gray to blue.

If a user is having trouble, please verify:

- The browser is Internet Explorer® version 10 or higher

- Cookies are enabled

- Active scripting is enabled

Information on checking these settings follows but may differ depending on browser versions. Refer to the browser **Help** section for more specific details.

Microsoft Internet Explorer

To check the version - Click Help, About Internet Explorer®. To obtain the latest version of Internet Explorer®, go to www.microsoft.com.
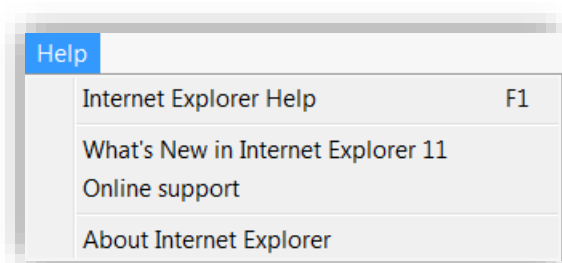
To check cookies and JavaScript - Click Tools, Internet Options, Security tab, Custom Level and scroll down to enable per-session cookies, enable Active scripting, and enable Scripting of Java applets.

Screen Resolution

OpenClose is optimized for a screen resolution of 1024x768. If the resolution is set higher, the font size may be too small for users. If set lower, users will need to scroll more often within the application.

Pop-up Blockers

OpenClose strongly recommends allowing pop-ups while using the application.

> **Warning:** If pop-up blocking software is installed, it may interfere with the functionality of **OpenClose**.

If pop-ups are blocked, the user will receive a message when opening **OpenClose** prompting them to enable pop-ups.

If a user clicks on a feature that opens a new window and it does not appear, the user should disable their pop-up blocker (e.g., calculators, calendars).

Cookies

Cookies must be enabled in Internet Explorer®. If they are not enabled, users cannot login to the system. By default, cookies are enabled in Internet Explorer®. If users have not disabled them, Internet options do not need to be adjusted.

> **Note:** No personal information is stored in cookies.

Enabling Cookies in Internet Explorer®

To enable cookies, follow the steps below:

1. Select **Internet Options** from the **Tools** menu.

2. Click the **Privacy** tab.

3. Click the **Default** button (or manually slide the bar down to **Medium**) under **Settings**.

4. Click **OK**.

> **Note:** If users receive a cookies' error when cookies are enabled, the date may be incorrectly set on their computer. Make sure the calendar is not set to a future date and that the time zone is correct.

PDF Files and Adobe®

Many documents in the **InfoCenter** and **e-Doc Manager** are posted in PDF file format.

> **Note:** Users should use the latest version of Adobe® PDF reader.

If users do not have Adobe Acrobat® reader, it can be downloaded from the Adobe Web site directly at www.adobe.com.

Internet Toolbars

All Internet toolbars (e.g., Yahoo®, Google®, etc.) interfere with system performance, and *must* be disabled.

2

Navigating OpenClose

Getting Started

Administrators or managers create a login ID for each user and provide the user with the URL to access the login page.

Once the account has been created, the user will receive an automated email containing the user name and a temporary password. Users need this information to login.

Logging In

To login to the **OpenClose** site, users need the user name and temporary password from the email sent when their account was set up.

> **Note:** During initial login, users will be required to set a new password.

1. Open **Internet Explorer**.

2. Enter the URL address provided in the **Address Bar**. The **OpenClose** login page will appear.

3. Enter the user name and password in the appropriate fields.

Warning: Passwords are case sensitive. Users should not copy/paste the password from the email notification; this can lead to copying hidden spaces, which will result in a login error.

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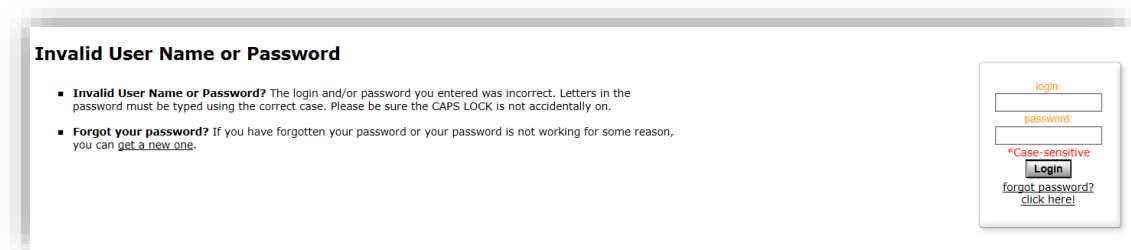
4. Click **Login**.

Forgotten Passwords
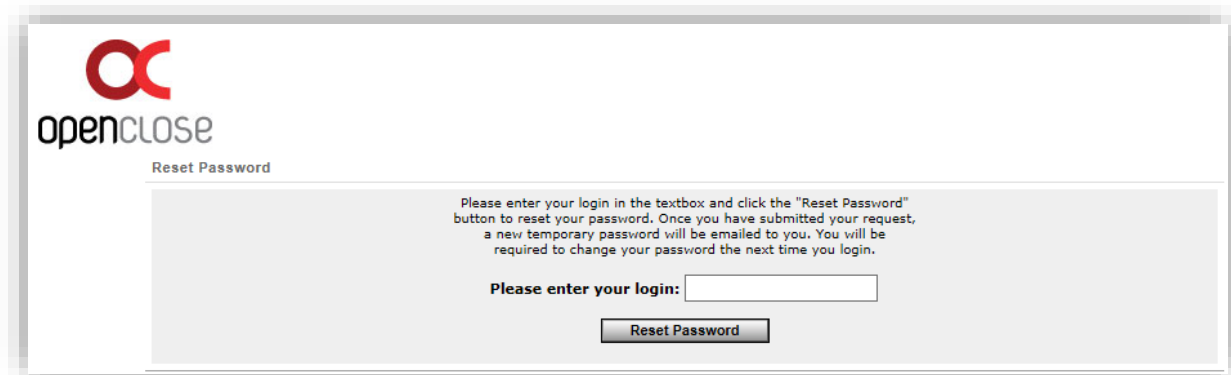
If the user forgets her/his password, it can be retrieved via email.

Warning: If users attempt to login five times with an invalid user name and/or password, the *account will be locked* and an **Administrator** or a **Broker User Level 1** will need to reset the password.

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1. If a user attempts to login with an incorrect user name or password, s/he will be redirected to the **Invalid User Name or Password** page.

2. If a user has forgotten his/her password s/he can click the **"forgot password? click here!"** hyperlink to generate a new temporary password. The **Reset Password page** will appear.

3. Enter the login and then click **Reset Password**.

For security purposes, a randomly generated temporary password will be emailed to the user. The user must change the password during the next login.

Password Criteria

The following are the required characteristics for a password:

1. At least eight (8) characters

2. May not contain first or last name

3. May not be the same as any of the last five (5) passwords

4. Must include three of the following:

   - At least one uppercase character

   - At least one lower case character

   - At least one numeric character

   - At least one special character (e.g., !, $, &, etc.)

Examples of good passwords are: GoodPassW1, goodPass!, or Beanopen1#

Expired Passwords

The system **Administrator** determines how often passwords expire. Users will be asked to reset passwords at login when they expire.

Logging Out

To end a session, click **Logout** located on the upper right of the **Top Navigation Bar**.

Note: When editing a loan, save changes often to avoid losing data. The system will automatically log users out after 20 minutes of inactivity, thus, it is important to save often in **OpenClose**.

Home Page

At login, users land on the **Home Page**. From this screen, users can navigate to most functions. Users can access their pipeline, access the lender's info center, price, register or lock existing loans, and price loan scenarios. Here users can create new loans by selecting **Manual New Loan Entry** (to manually enter data), selecting **Upload New Loan** (to upload a Fannie Mae 3.2 file), selecting **New Loan** under **Price, Register, Lock,** or by using **Quick Pricer** on the **Left Navigation Panel**.
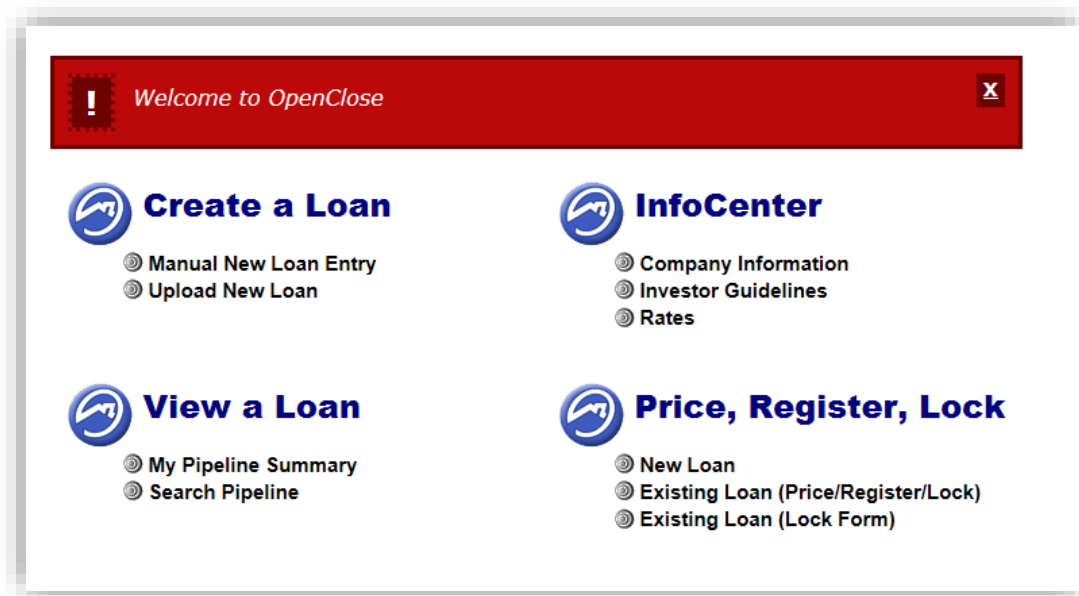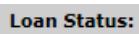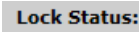
Components of the OpenClose Screens

All screens in **OpenClose** share some common components that will be referred to throughout this manual.

Top Navigation Bar Icons

- **Loan Action Menu** 🗒 (see Chapter 2)
- **Current Loan Status** Loan Status:
- **Current Lock Status** Lock Status:
- **Universal Search** Search Loan #, Borrower, SSN, Property, Status...
- **Home Screen** 🏠
- **e-Doc Manager** 📁 (see Chapter 4)
- **QM Results Document** 🔑 (see Addendum A)
- **Fee Tolerance Comparison** 📋 (see Addendum B)

- **Loan Notes** (see Chapter 5)

- **Loan Messages** (see Chapter 5)

- **User Settings** (see Chapter 3)

- **Log Out**

Left Navigation Panel
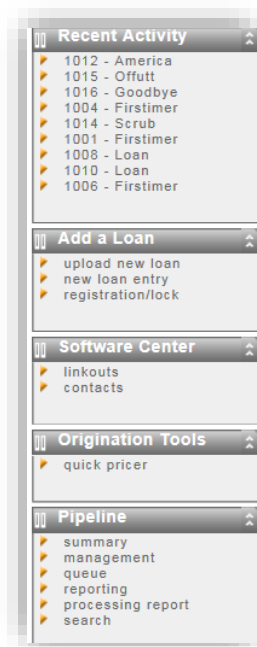
Footer

Pipeline Summary

Once created loans are available on the **Pipeline Summary** page. Click **Summary** on the **Left Navigation Pipeline** menu to access the **Pipeline**.
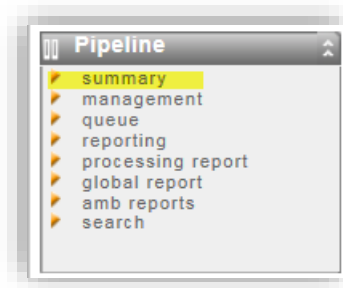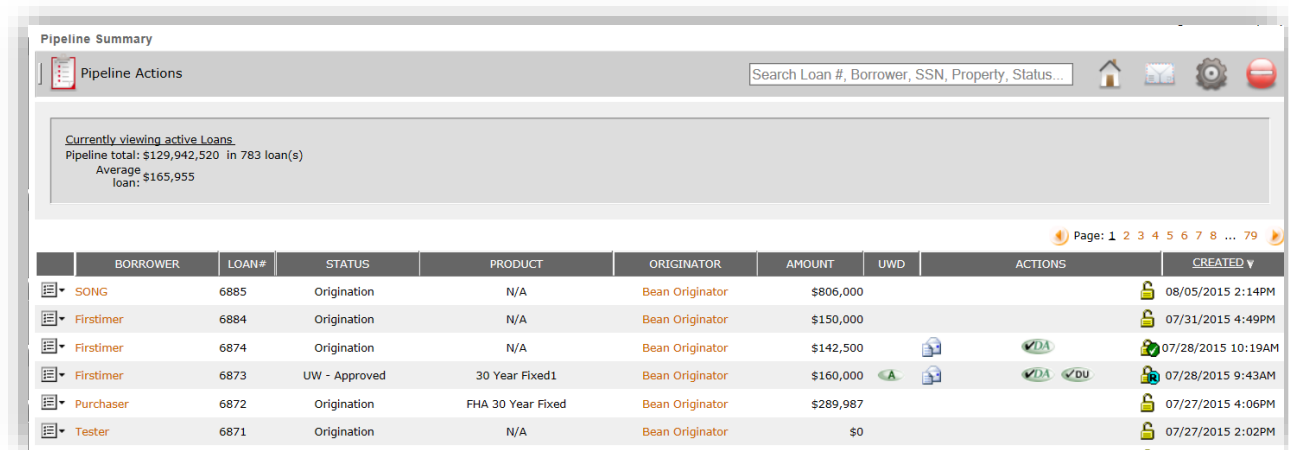
Pipeline Statistics

At the top of the **Pipeline Summary** are the **Pipeline Statistics**. The default view shows only active loans, so the statistics are calculated using figures from active loans only. When users change the pipeline view, the statistics will change and re-calculate based on the selection.

Summary View

Click on any header to sort by that column. A triangle will appear in the header to indicate the sort order (see the **Created** column above).

- If the triangle is pointing up, the sort order is alphabetical or numeric (oldest first for dates).

- If the triangle is pointing down, the sort order is reverse alphabetical or numeric (newest first for dates).
- To reverse the sort order of a column, click the column header again.

Users can customize the number of loans displayed on each page using the **Site Preferences** feature. For more information, refer to the Site Preferences Tab section in the Managing Your Account chapter.

If the **Pipeline Summary** fills more than one page, users can move from page to page using the **Page Indicator**.

To change the loans displayed while viewing the pipeline (e.g., prospects, all loans), use the **Pipeline Actions** menu at the top of the page.
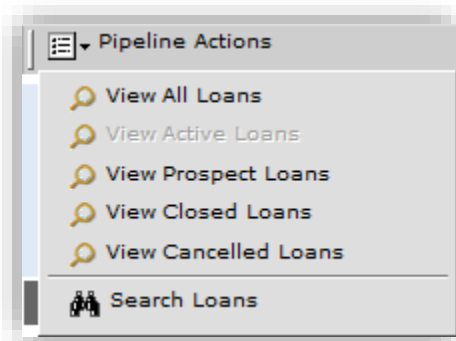
Each time the user returns to the **Pipeline Summary** page, this menu will revert to the defaulted setting.

Pipeline Summary Icons

The following icons are used to provide information in the **Pipeline Summary**. Hold the mouse over an icon to see its tooltip.

Note: Click the icon to open the corresponding page or document. For example, clicking on ✓DU will open the **DU Underwriting Findings**.

Underwriting

- ∑ - Submitted
- A - Approved
- ℧ - Underwriting Review
- ? - Approved with Conditions
- ∑i - Pending Additional Information
- D - Denied

- ⬭C - Cancelled
- ⬭S - Suspended

Actions

- 📩 - Unread Messages
- ✓DU - DU Findings Available
- ✓LPA - LPA Findings Available
- ✗DU - DU Response Error
- ✗LP - LPA Response Error
- ✓DA - DecisionAssist Pre-Approval
- 𝘗𝘙 - Whole Loan Purchase Response

Lock Registration

- 🔓 - Not Locked – No registration (float or lock) has been submitted on the file.
- F - Float Requested – Float request submitted, but no response.
- F✓ - Float Approved As Is – Float accepted without changes.
- Fᴄ - Float Approved With Changes – Float accepted with changes.
- F? - Float Referred – Float request requires additional information. The lock response will display comments from the lock desk.
- F✗ - Float Denied – Float request denied. The lock response will display comments from the lock desk.
- 🔒R - Lock Requested - Lock request submitted but no response.
- 🔒✓ - Lock Approved As Is – Lock accepted without changes.
- 🔒ᴄ - Lock Approved With Changes – Lock accepted with changes.
- 🔒? - Lock Referred – Lock request requires additional information. The lock response will display comments from the lock desk.
- 🔒✗ - Lock Denied – Lock request denied. The lock response will display comments from the lock desk.
- 🔒$ - Lock Expiring – Lock due to expire in one week.
- 🔒🕐 - Lock Expired – Lock has expired.

Origination Users Permissions

Origination users are assigned one of three levels of permissions within the system.

Level 1 users (typically branch/broker managers) may be able to:

- Look up and manage other users

- View and/or edit **The Company Profile** (the retail branch office or broker company)

- Add users within that **Company**

- Create contacts for **The company**

- Search for and edit loans for all **Originators** in **The Company**

- Reassign Loans

- Originate Loans

- Price and Lock Loans

- Create loans on behalf of other **Originators**

- A **Broker/Branch Company** may have more than one **Level 1** user

Level 2 users can:

- Originate Loans

- Price and Lock Loans

- Access loans in his/her own pipeline *only*

Level 3 users can:

- Originate Loans

- Price Loans

- Has access to loans in his/her pipeline *only*

- Cannot lock loans with **The Lender**

Searching for Loans

To use the **Universal Search,** enter a piece of identifying information (e.g., borrower name, loan number, SSN, property address, status) in the **Search Box** on the **Top Navigation Bar**.

To use **Pipeline Search**

1. Choose **Search Loans** click on the **Pipeline Actions** menu or click **Search** on the **Left Navigation Pipeline Menu**. The search parameter type can be defaulted in the user settings. For more information, refer to the defaults section in Chapter 3, Managing the User Account.

2. In the **Search Parameter** field, select the search parameter (e.g., **Loan Search – All**, or **Originator Active**, or **Originator All**, etc.).

- **Level 2 & 3 Originator** users can search for loans in his/her pipeline.

- If the user is a **Level 1 Originator** typically a branch or broker manager, s/he can search for any loan in her/his branch or broker company.

Searching for Loans in Other Originators' Pipelines (Level 1 Users Only)

Level 1 Originator Users can search for loans in other **Originator's** pipelines by using the **management** link on the **Left Navigation** panel.
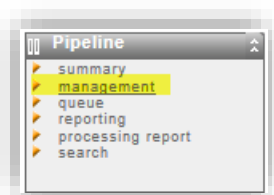
The **Level 1 Originator User** can also re-assign a loan from one Originator to another here.

Click on **Management** and the **Pipeline** for the entire company (and any branches that are under that company) will load.

- Use filters to refine the search

- Click on the Borrower's name to enter the loan

- To re-assign loan(s) to another user

1. Flag loan(s)

2. Select the **New Owner** from the dropdown menu

3. Hit **Go**
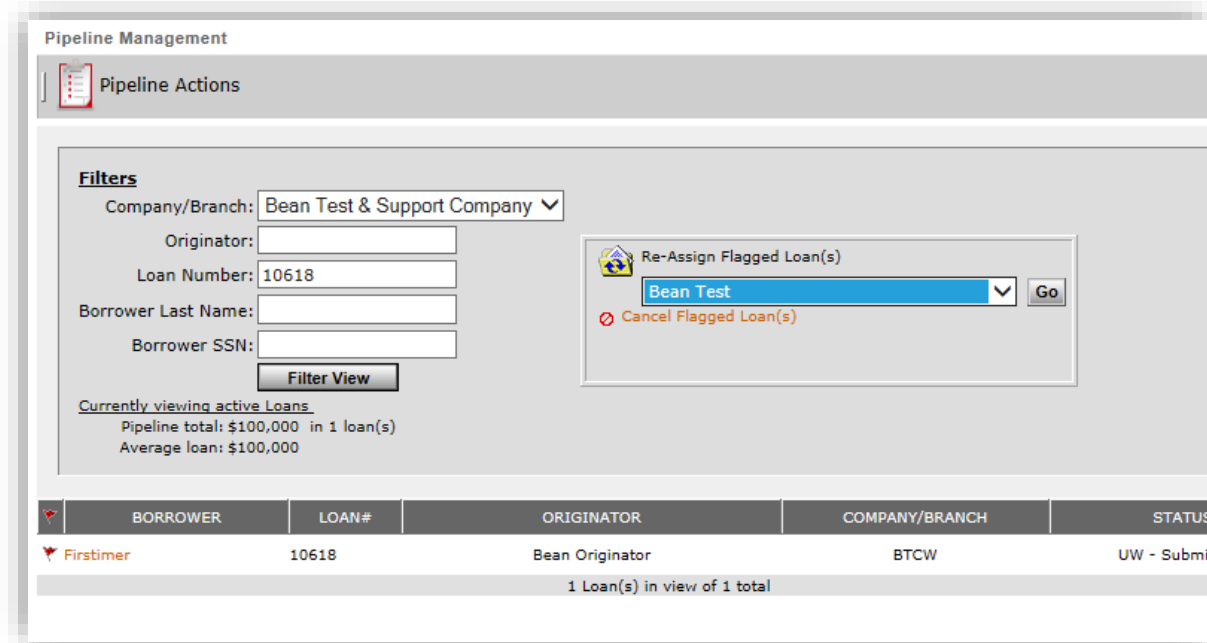
> **Note:** If re-assigning to a new originator user, the new originator user should **Edit** and **Save** the 1003 to make the new originator's information populate the 1003.

The Loan Action Menu

Each loan listed in the **Pipeline Summary** has an action menu to the left of the primary borrower's name.
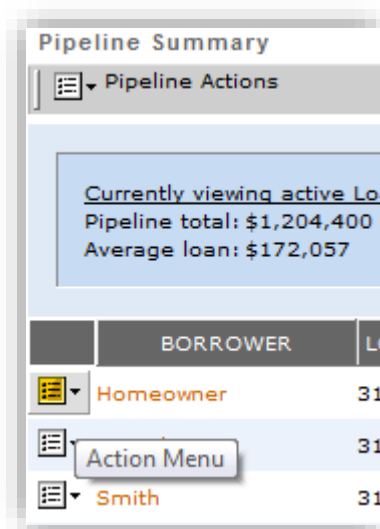
The list of available actions is controlled by the system **Administrator**, who manages them through the system's **Navigation Defaults**.

Not all options will be available at all times. Options may or may not appear, or may be grayed out. For instance:

- The user is on the referenced screen; therefore, it will be grayed out.

- The user has read only access to the file so Edit actions may not be available but View actions may be.

- The user no longer has access to a feature based on the loan's status.

Loan Actions

The following are the actions that *may or may not be* available on the **Loan Action Menu** depending on **The Company's** workflow. The system **Administrator** has the ability to control the items available to users.

- **Pipeline Summary** – List of all loans in the pipeline with current status and other details for quick reference.

- **Loan Snapshot** – Summary view containing specific details of the loan and access to the **e-Doc Manager**.

- **Loan History** – A summary of actions and changes made to the loan.

- **Loan Info** – A summary of loan parameters, borrower information, contacts, and tracking of important dates. The **Administrator** may set up custom fields that need to be completed on this screen.

- **Loan Contacts** – Access to the Contacts screen where users can add new contacts, view contacts and assign them to the loan.

- **Edit 1003** – Enter information and edit the 1003.

- **View 1003** – A view only version of the 1003 screen.

- **Edit GFE 2010** – The GFE 2010 is populated based on data entered on other screens such as the **Fees Worksheet**. The GFE 2010 is only used for specific loan types.

- **Edit Fees Worksheet** - Enter estimated fees as well as estimated closing and 1st payment dates. This information will be used in creating the LE or GFE 2010.

- **Edit TIL** - Enter information and review the TIL.

- **Edit 1008** - Enter information and review the 1008.

- **View QM** - A summary of the current QM analysis on the loan.

- **Price / Lock** - The **Originator** user's price and/or lock request screen that retrieves data from the pricing engine, Decision Assist.

- **Lock From** - A screen that is used to request a lock when the data will not be accessed via the pricing engine.

- **Fee Sheet** – A screen used by **Originators** to communicate fees and other necessary information with the closing department.

- **HMDA** - A summary of the current HMDA data on the loan.

- **Update Loan** - A loan upload utility for Fannie Mae 3.2 file types. When used from within an existing loan, it will completely overwrite the data contained in the file. Third party reference numbers including credit, flood, AU, and others may be

modified or removed. This feature in the loan action menu *should not* be used to start a new loan.

- **Export Loan** - Extract the 1003 data of the loan in Fannie Mae 3.2 file format.

- **Copy Loan** - Create a new loan that contains the same 1003 data.

- **Cancel Loan** – Cancel the file.

- **Close Loan** – Closes the file for storage once it has been completed and will no longer be a file in progress. This *should not* be confused with sending a loan to closing.

- **Processing** – Tracking screen for "Order Outs".

- **Submit to Processor** – Sends the file to a **Processor** or queue for processing.

- **Upload Documents** – Used to upload documents into the loan's **e-Doc Manager.**

- **Order Credit** – Order a credit report using an interface with user-selected provider(s) and stored user credentials.

- **Merge Liabilities** – Populate the credit report details to the 1003.

- **Submit to AU** – Order DU or LPA automated underwriting.

- **Submit to Lender** – Send the loan to the **Lender's** team.

- **Fraud Filter** – Order a FraudGUARD® Report.

- **Flood Certification** – Order a flood certificate.

- **Submit to Doc Provider** – Order Disclosures from a document provider service.

- **Compliance** – Run specific compliance tests with interface partner, Questsoft®.

- **EarlyCheck** ™ **–** Run a preliminary review for loans intended to be delivered to Fannie Mae.

OpenClose Screens & Tabs
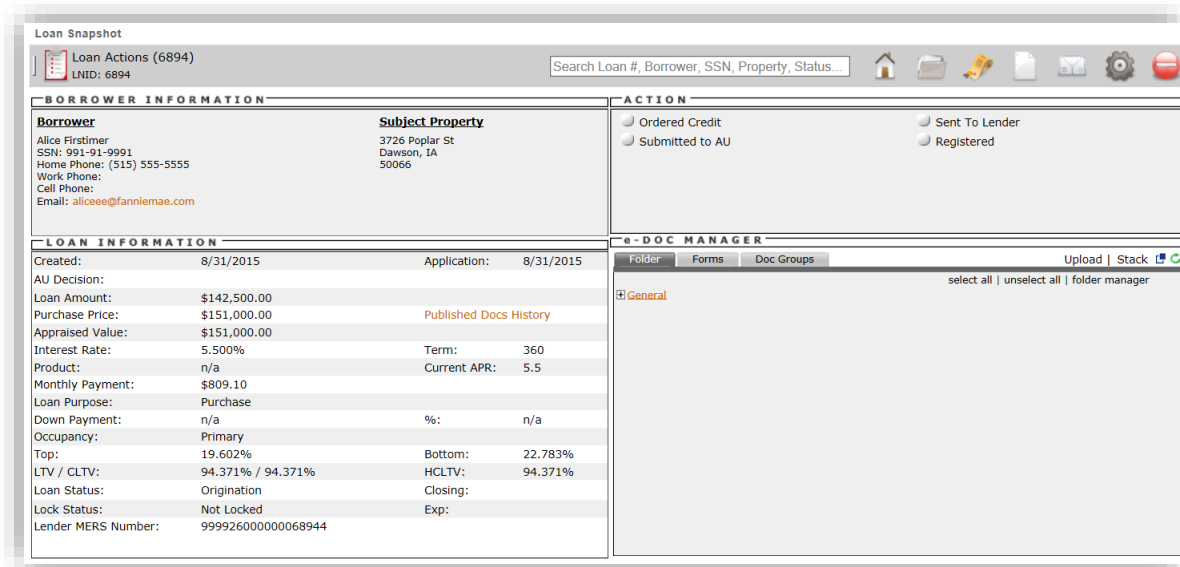
On many **OpenClose** screens, such as the **Edit 1003** screen, various components of the screen will appear as **tabs** across the top. Click on a tab to go to that section.

Types & Terms	Property	Borrower Info	Employment	Income	Housing Expense	Assets
Liabilities	Details	Declarations	Agreement	Fannie Mae	Government Info	Freddie Mac

Types and Terms Section
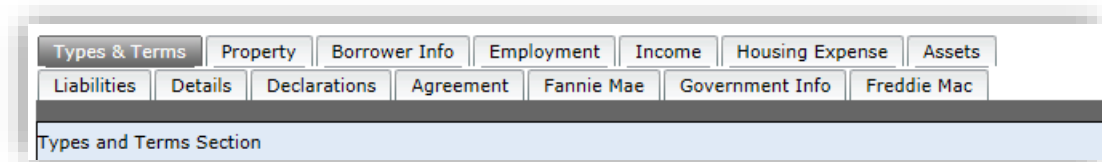
Note: It is not necessary for users to save when moving between tabs. However, users *must* *save* before leaving the screen or any edits will be lost. Should the user attempt to leave the screen without saving, a popup will warn the user there are unsaved changes on the page.

Loan Snapshot

The **Loan Snapshot** is a summary page for the loan. It provides a summary of certain loan data and contains the **e-Doc Manager**.

Actions taken on the loan will automatically check items on **Loan Action Indicator** on the top right screen, such as **Sent to Lender** or **Submitted to AU.**

Loan History

The user can access a summary of the loan's history from the **Loan Action Menu**. As actions take place on the loan, they will be recorded in the loan history.

Short Cuts

There is a variety of short cuts in the system that will allow the user to navigate quickly and copy data to other fields. Look for the **Orange** links such as:

- **Return to Snapshot**
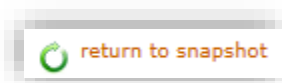
- **Copy Address to Property**
- **Copy Address & Phone to Co-Borrower**
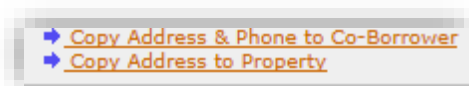
- **Copy Property Address to Assets REO**
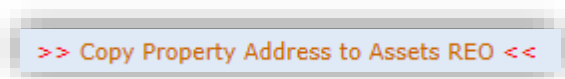
Application Date

Since Federal Law requires loans be disclosed within certain time periods based on the **Application Date**, the system will record the **Application Date** based on defaults set by the system **Administrator**. Users should consult their manager as to how their company determines the **Application Date**.

If the system **Administrator** has configured the system to set the **Application Date** based on the **RESPA** definition of a loan application, the date will be set when the six elements of the application (as defined by **RESPA**) are entered. These elements are:

- Borrower Name(s)
- Borrower Social Security Number(s)
- Loan Amount
- Property Value
- Property Address
- Borrower Income

When the elements are entered, the **Application Date** is set and recorded on the **Loan Info** screen **Tracking** tab, the **Loan Snapshot**, and the **Edit 1003** screen **Types and Terms** tab. A message will pop up reminding the user of the disclosure deadline.
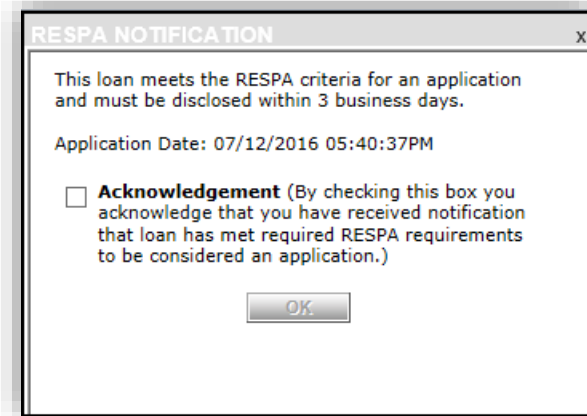
If the user checks the **Acknowledgement** box, the date of the acknowledgement will be recorded in **Loan History**.

If the user does not check the **Acknowledgement** box, that event will also be recorded in **Loan History,** and the message will continue to pop up until it is acknowledged. Once the **Application Date** is set (whether acknowledged or not), system generated emails will go out reminding the **Originator** to disclose and informing management the loan requires disclosures.

Scrubs

Automated checks take place within the system during the loan process. They ensure essential or required data is entered before particular actions can be taken on the loan. A message is displayed when information is missing or incorrect. In most cases, the message will advise the user of the location where the correction needs to be made.

Typically, scrubs take place when a user is sending data via an interface or submitting the loan to the lender. The scrub may prevent the electronic request from taking place until the necessary information is entered. Scrub errors are common when:

- Requesting Automated Underwriting

- Pulling Credit

- Ordering Disclosures

- Submitting the file for Underwriting

As an example, the loan shown below is missing the borrower's date of birth, income and time on the current job. The system identifies the missing data and displays it in a list. By clicking **Edit 1003**, the user will be taken to the **1003** screen where corrections can be made. The tabs with missing information are indicated with **RED** text and, a modal opens with the list. As each piece of data is corrected, it is removed from the list.
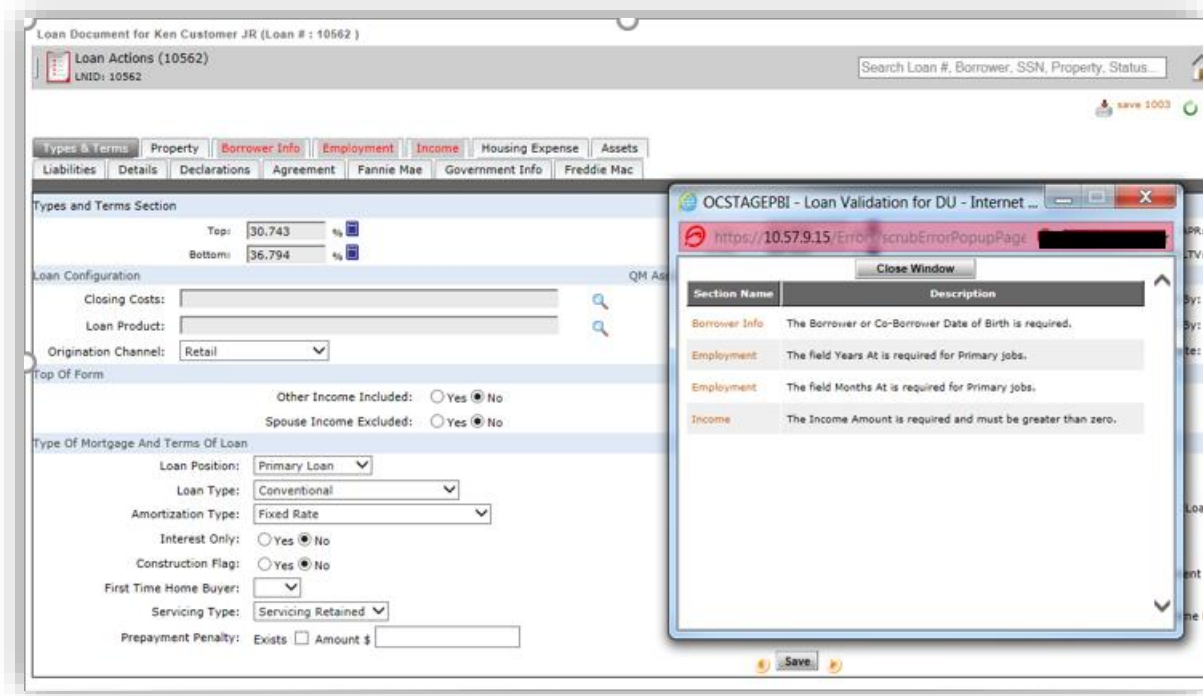
Note: In some cases, a system **Administrator** has enabled a "**Submit Anyway**" feature that allows the **Originator** to continue the submission without entering the data.

3

Managing the User Account

User Settings

While many settings in this section are configured globally by the system **Administrator**, the user can edit his/her own user profile. Individual user settings will take precedence over any **Administrator** settings. For example, if the **Administrator** sets the number of messages per page to 10, but the user changes the individual setting to 20, s/he will see 20 messages per page in the Message Center.

To edit the user profile, click the **User Settings** icon located on the Top Navigation bar.

User Information Tab

The **User Information** tab contains the user's contact information. The most important field on this tab is the email address. If it is incorrect, the user will not receive password reset information and other important system notifications. **Originator** users have the option to add additional email addresses so system generated emails regarding changes in loan status will be sent to multiple email addresses.

The **Originator** user has the option to enter up to three additional email addresses in his or her user settings. System generated emails will be sent to up to four email addresses saved in the **Originator's** User Information.

Password Tab

The **Password** tab allows the user to change his/her password at any time. When changing the password, the user will need to enter the current one for security purposes.

Link-Outs Tab

The **Link-Outs** tab contains links to Web sites for easy access. The links created by an individual user will only be available to that user.

Note: An **Administrator** can configure links that will be available to all users in the system.
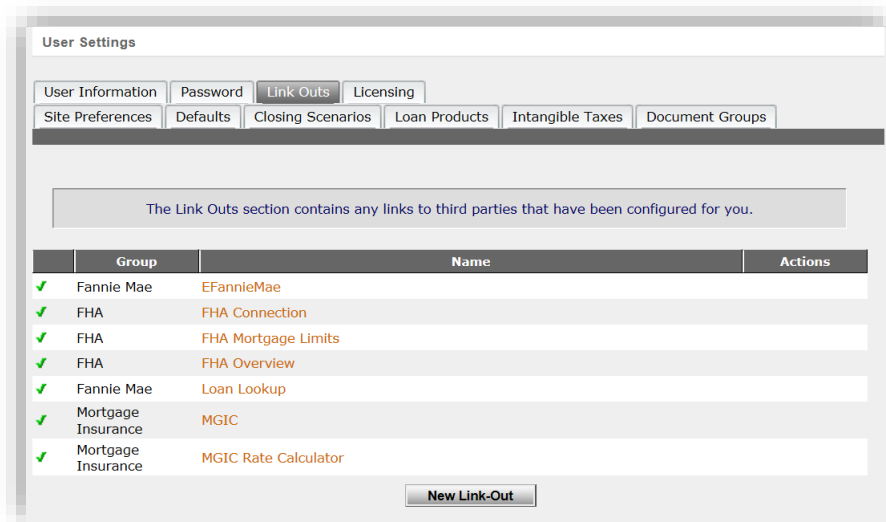
Creating a New Link-Out

1. Click **New Link-Out**, and the **Link-Out Design** page will appear.

2. Enter the following information. Fields with a * red asterisk are required and must be completed prior to saving.
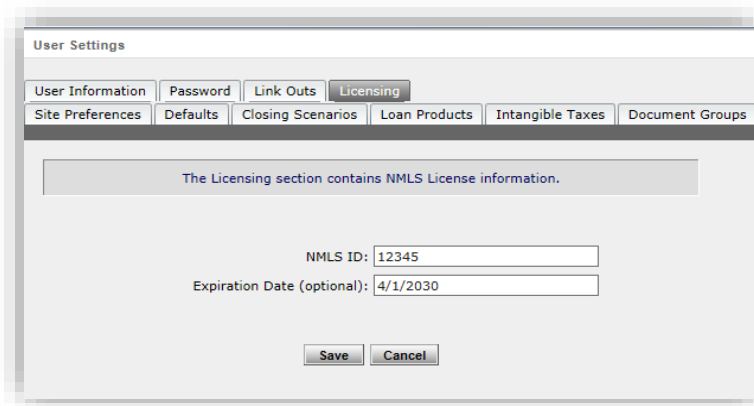
Field	Description
Link-Out Name	Name of the link (e.g., Fannie Mae).

Field	Description
Link-Out Destination	Web address for the link (e.g., http://fanniemae.com/portal/index.html).
Link-Out Group New Group	Select the group the link will be associated with *OR* create a new group by entering a name in the **New Group** field.
Is this Link-Out active?	Indicates whether the link is active or inactive. For a new link, this should be set to **Yes**.
Who will be able to use this Link-Out?	If the link is created in an individual's user settings, it will only be available to that user. If the user would like to make the website available to all users, s/he should contact the **System Administrator**.

3. Click **Save Link-Out**.

4. Users can take three actions on **Link-Outs** s/he created previously by clicking the appropriate icon under the **Actions** column.

- To edit a link, click the 🖊 **Edit** icon.

- To deactivate a link, click the ⊘ **Deactivate** icon.

- To delete a link, click the ✖ **Delete** icon.

Licensing Tab

The **Licensing** tab stores the users NMLS ID. Individual users *must* verify that it is correct. This ID number will print on forms and is reportable.

Site Preferences Tab

The **Site Preferences** tab allows users to customize certain aspects of the application.

- Number of items per page to appear in the **Pipeline Summary** and the **Message Center**. Choose between 10 and 50 items in each drop-down field.

- The user can default the **Pipeline Filter** or view to *Active*, *Prospect* or *All*.

- **Lookups, Records per page**, sets the number of loans to appear after *Search*.
- Control how the documents in the **e-Doc Manager** will be displayed.
  - ○ How the user would like the tree sections to be displayed (All levels expanded, first level only expanded, or none expanded).
  - ○ How the user wants the documents sorted (by name or by date last modified).
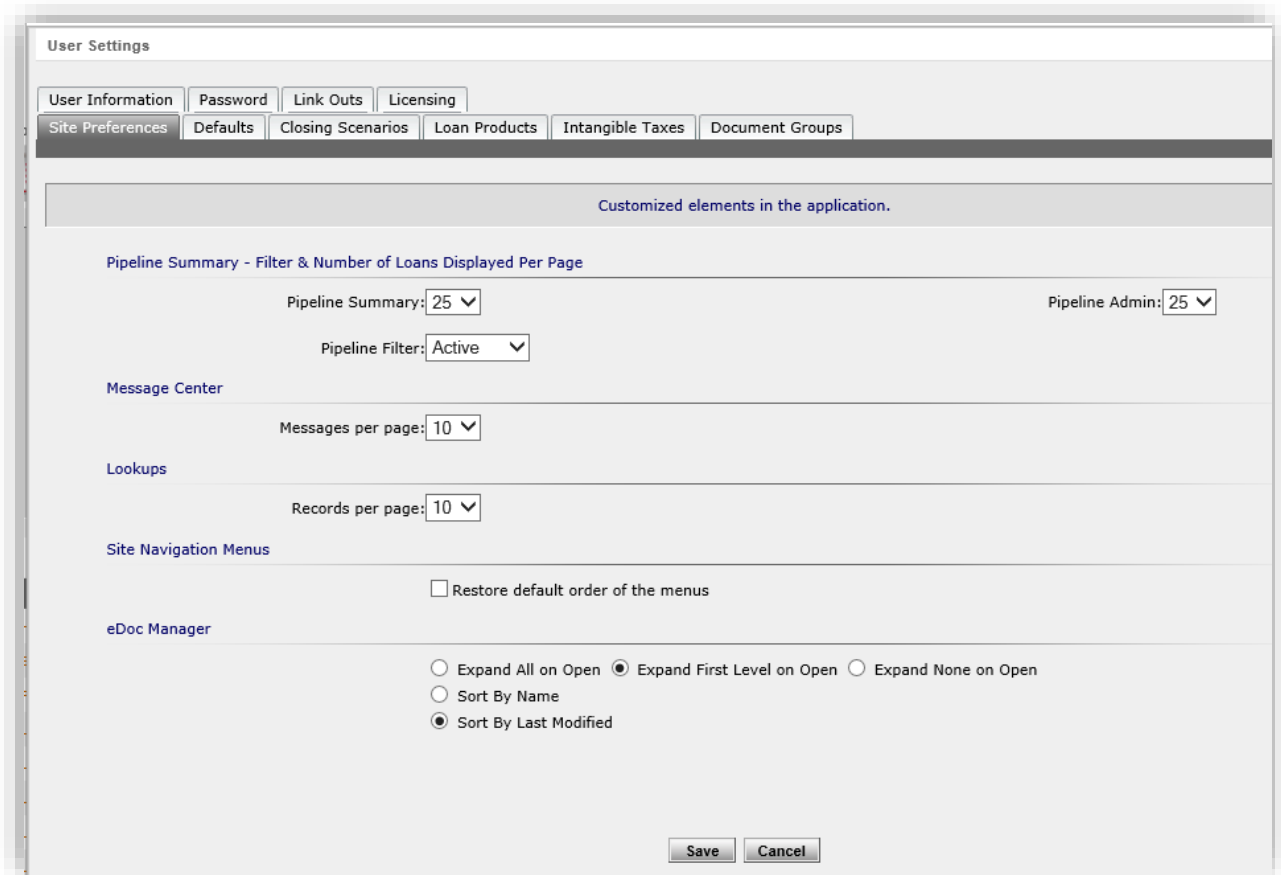
Defaults Tab

The **Administrator** will set most of the defaults. However, individual users may need to manage some default settings that will apply only to themselves. These include, but are not limited to, the user names and passwords for interfaces such as credit vendors, doc providers, and automated underwriting providers. Closing Scenarios Tab

System **Administrator** will set up the **Closing Cost Scenarios** that users can choose from, however users can *View* them here by clicking on the magnifying glass.

Loan Products Tab

System **Administrator** will set up the **Loan Products** that users can choose from, however users can *View* them here by clicking on the magnifying glass.

Intangible Taxes Tab

System **Administrator** may set up the **Intangible Tax Templates** that users can choose from.

Document Groups

System **Administrator** will set up the **Document Groups** needed**.**

4

e-Doc Manager

Overview

The **e-Doc Manager** is the digital document folder for each loan file. All loan documents are digitally stored, managed, and stacked in the **e-Doc Manager**.

It is *recommended* that the **e-Doc Manager** be opened by clicking on the folder icon on the **Top Navigation** bar. A separate window will open that can be minimized, maximized, moved to another monitor, and re-sized. This also gives the user the ability to upload documents by using the drag and drop feature.
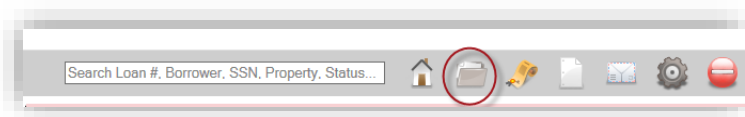
Once open, the user can **search for, view**, and **manage** documents**.** By opening the **e-Doc Manager** in a separate window the user can view documents *and* edit loan data simultaneously.
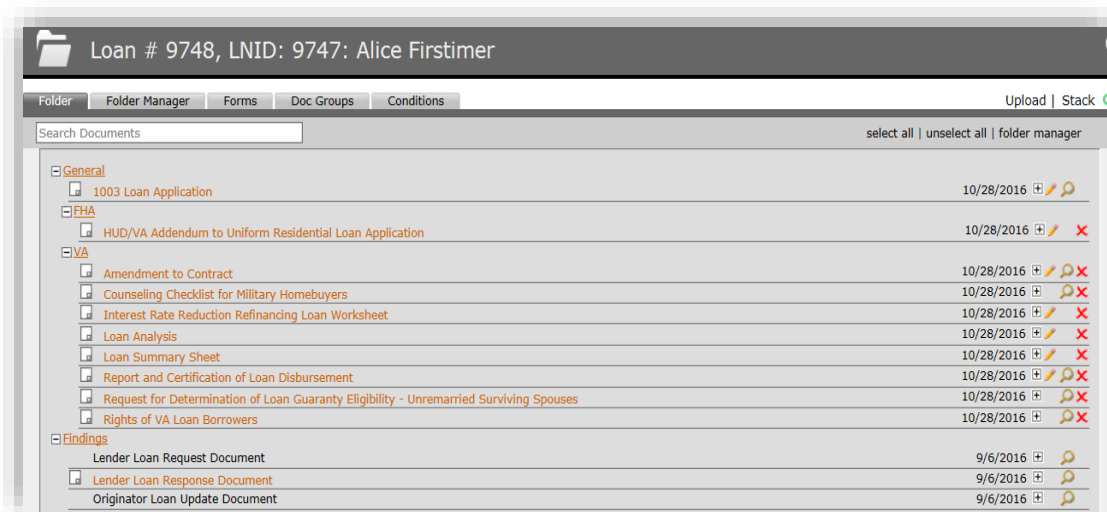
The **e-Doc Manager** can also be accessed on the **Loan Snapshot**. It is located in the lower right hand corner of the **Loan Snapshot** screen.
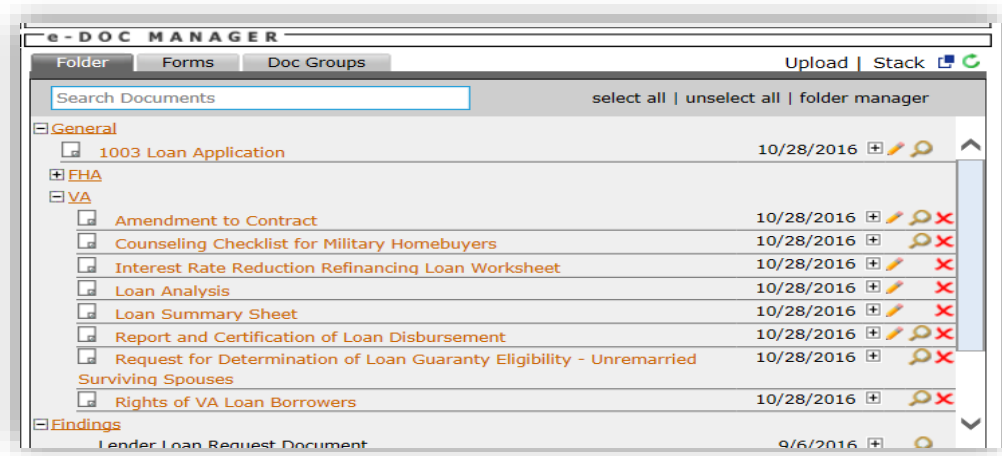
Accessing Documents

The **e-Doc Manager** is organized in a tree structure. Click the ⊞ **Plus** icon on the left to expand the tree, and the ⊟ **Minus** icon to collapse it.
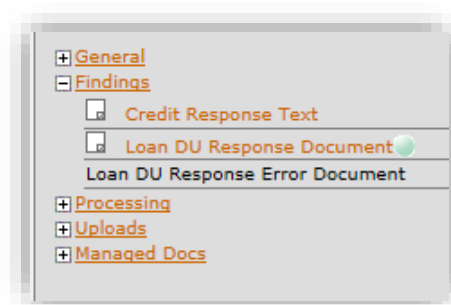
- Use the search window to locate a document or a folder by typing a portion of its name.
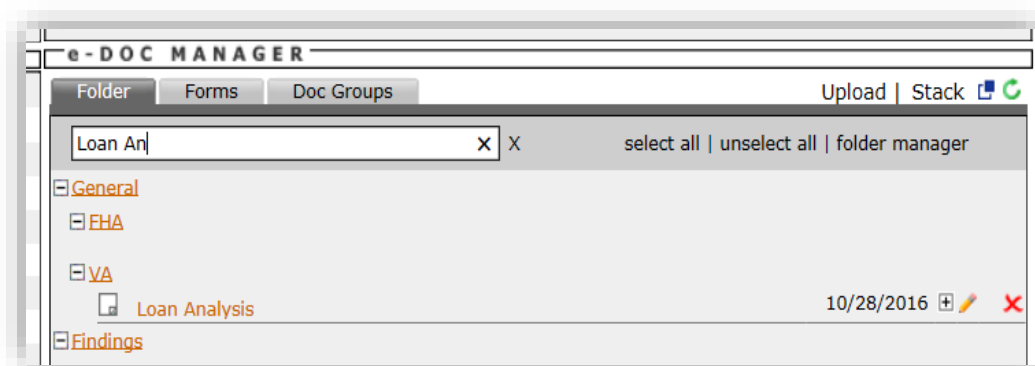
- System generated documents (e.g. the 1003 and 1008) and forms added to the loan by the user (e.g. FHA documents) will be in the **General** Section.

- Verifications such as VOE, VOM, VOD, etc., will be in the **Processing** section.

- Documents returned via an interface (e.g. Credit Reports, AU Findings, Flood Certs, etc.) and documents created by a user request or response (e.g. Registration/Lock Request, Registration/Lock Confirmation, Lender Loan Response Document) will be in the **Findings** Section.

- Documents uploaded by a user will be in the **Uploads** Section unless otherwise determined by the **Administrator**.

- Documents managed by a user, either at the time of upload or later, or included in a **Stack**, will be in the **Managed Docs** Section.

- Once a section is expanded, individual documents become available. For each document, various actions can be taken by clicking the appropriate icon.

  - To edit a document name or to replace a document, click the ✏ **Edit** icon.

  - To view a document, click the 🔍 **View** icon.

  - To delete a document, click the ✖ **Delete** icon.

  - To select a document to print, manage, or email, check the ⬜ box to the left of the document.

Note: When a user chooses **Edit**, the user can rename or replace a document. This function does not actually edit the document chosen.

Additional Folders

The **System Administrator** may create **Custom Folders** to enhance the paperless mortgage experience. This functionality limits where users can store uploaded documents and what documents users can view and/or edit in the **e-Doc Manager**. The **Administrator(s)** sets up the folder structure and awards permission to the appropriate users for each folder.

Individual users will only see folders they have been granted permission to view. See the **Folder Manager** section below for more information.
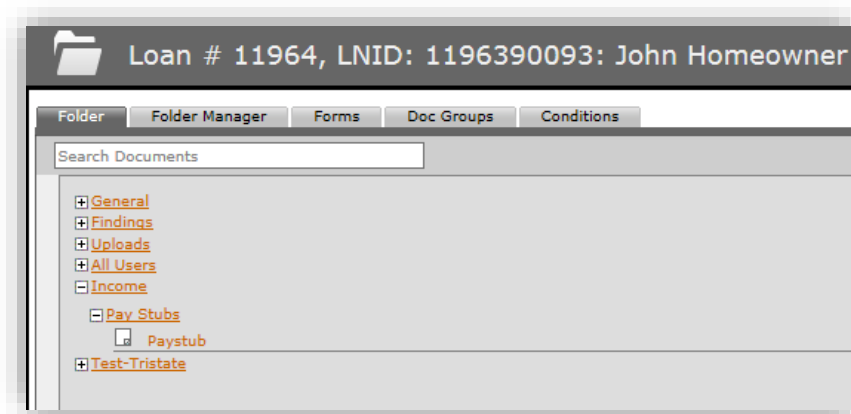
Date and Time Stamps

To the right of each document, users will see either a date or a time. If the document was created or last updated during the current day, a time will be displayed. If it was created or last updated on a previous day, a date will be displayed.

Note: The date and time will always display Eastern Time.

Uploading Documents into a Loan

Documents Uploaded by an **Originator or Processor** become available to the **Lender** when the user selects **Submit to Lender** or **Update Lender** (if file has already been submitted) on the **Loan Action Menu**, or when documents are attached to a condition directly (see below).

To upload documents to a loan, follow the steps below.

1. Click **Upload** in the top right corner of the **e-Doc Manager** or **Upload Documents** on the **Loan Action Menu**. The **Upload Documents** page will appear.
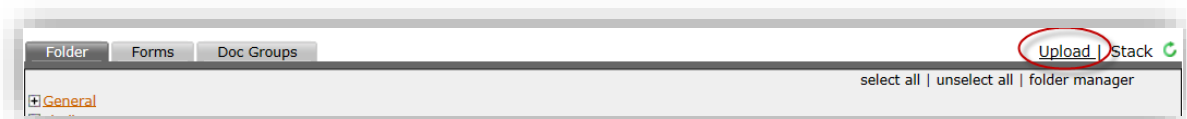
2. Click **Select Files** to locate the document(s) for upload. The user can select more than one at a time.

3. To drag and drop documents, the user *must* open the **e-Doc Manager** using the **Folder** icon on the **Top Navigation** bar.

4. The user can then drag and drop the document to the gray area on the screen.
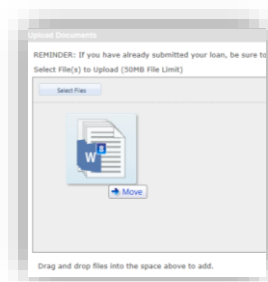
5. The **Doc Type** dropdown menu and **Description** field will appear on the **e-Doc Manager** screen. Select a **Type** from the dropdown menu (required), and add a **Description** (optional) to further identify the document.

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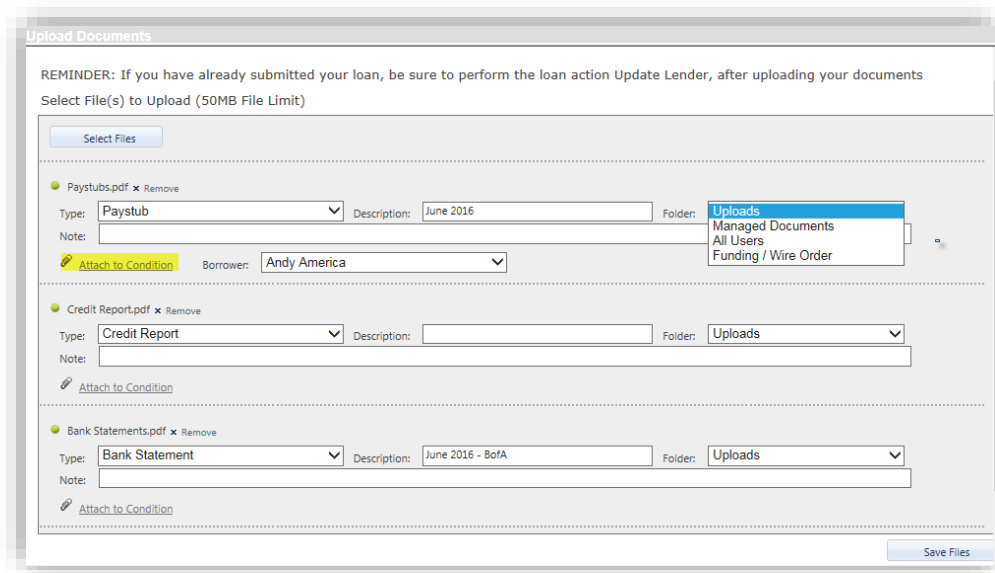
6. Once a loan has been conditioned, users can attach a document to an underwriting condition. Click **Attach to Condition,** and a box with a dropdown menu will open allowing the user to select the appropriate condition.

Note: For more on providing documents for conditions, see **Chapter 6: Originating Loans – Taking Action on The Lender Loan Response**.

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7. Depending on how the system defaults are set by an **Administrator,** users may have the option to send the document directly to **Managed Docs** or **Specific Folders**.

8. Click **Save Files.**

Note: Multiple and/or large files can take longer to upload.

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9. The uploaded document will appear in the **Uploads** or **Managed Docs** folder or in a **Custom Folder** (for more information see folder manager section below).
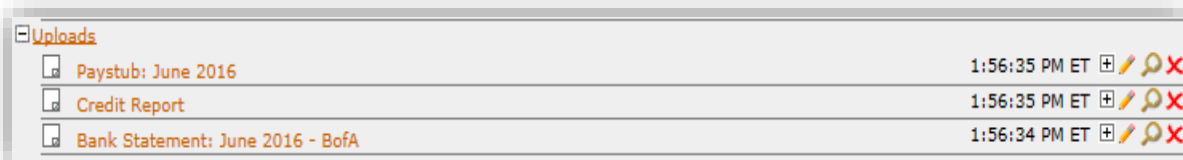
Note: The documents will become available for **Lender Employees**, if the user does a **Submit to Lender** or **Update Lender** (if loan has already been submitted for underwriting) or attaches the document to a condition directly on **The Lender Loan Response Document**.

Managing Documents

Managed Docs are documents that have been processed and labeled in a prescribed way, determined by **System Administrators**.

The **Manage Docs** feature allows users to process documents efficiently and uniformly. **Findings**, **General Documents** (system generated), **Uploaded** documents, and previously **Managed Docs** can be managed. Two or more sets of documents can be combined, and the pages within the documents can be included, excluded, re-ordered, and rotated.

1. Select **Manage** by clicking on the box to the left of the documents to be worked with. The word **Manage** will appear at the top of the **e-Doc Manager**.

2. Click **Manage**, and the **Manage Documents** screen opens in a new window. This window can be moved to a second monitor if available, so the user can view the loan while reviewing the documents.

3. All of the pages from the selected **Uploads** and/or previously **Manage Documents** will load as thumbnails on the **Manage Doc** screen. The first page will appear larger on the left.

4. To enlarge a different page to be viewed on the left, click the **Magnifying Glass** on the upper right of the thumbnail.

5. To enlarge the page further, click on it to expand. Click on the **X** in the upper right corner of the document to return to the thumbnail view.

6. To change the thumbnail order, drag and drop pages by dragging with the mouse depressed over the **||** symbol in the upper left corner of the thumbnail.
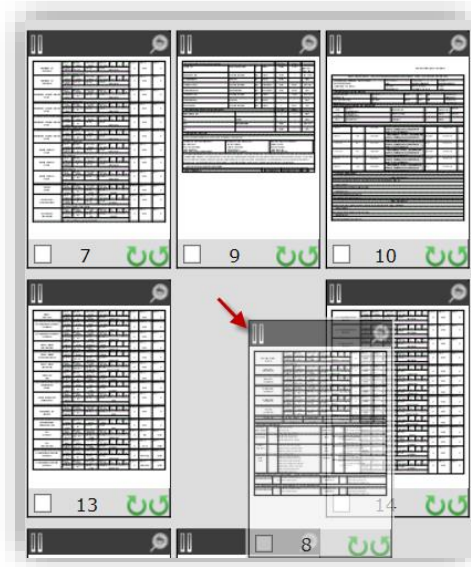
7. Hover over icons to see feature descriptions.
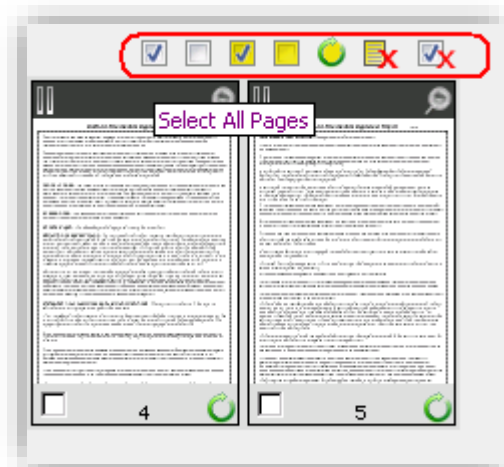
8. Features include:

- Icons

  - ☑ **Select All Pages** - Checks all thumbnails

  - ☐ **Deselect All Pages** - Unchecks all thumbnails

  - ☑ **Select Highlighted Pages -** Checks all highlighted thumbnails

  - ☐ **Deselect Highlighted Pages -** Unchecks all highlighted thumbnails

  - 🔄 **Rotate Highlighted Pages** – Rotates highlighted pages

o ![icon] **Remove All Highlighted Pages** – Hides highlighted pages

o ![icon] **Remove Selected Pages** – Hides checked pages

- Highlight

  o Click on a thumbnail to highlight a page.

  o To highlight multiple thumbnails, hold down the **Ctrl** key and click on thumbnail(s).

  o To select a series of thumbnails, hold down the **Shift** key and highlight the first and the last thumbnail. This will select those thumbnails and all of those in between.

9. Select pages to include in the new **Managed Doc** by checking the box on the lower left corner of each thumbnail. As an example, a user has uploaded document with100 pages of tax returns, W-2's, and paystubs. The user would like to create one **Managed Doc** that contains only paystubs. The user should check only the paystub pages, Select **Paystubs** from the **Managed Doc Types** dropdown menu, and click **New** (adding a **Name** is optional).

10. The **Type** and **Name** (if entered) of the new **Managed Doc** will appear on the upper left in green and will note the pages that were selected to include**.**
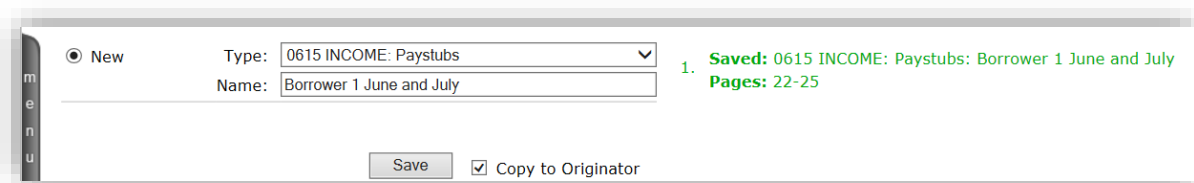
11. To hide the pages that were included in the newly created document, use one of the **Remove Selected Pages** icons.   This will "hide" the selected thumbnails from the Manage Documents window, but will not delete the pages from the original document.

Note: If the "hidden" or removed pages need to be re-loaded, simply access the original document from the slide out menu on the left side of the screen (see further instruction below).

e-Doc Manager – Folder Manager

Custom Folders are created and utilized in **OpenClose** to enhance the paperless mortgage experience. This functionality limits where users can store uploaded documents and what documents users can view and/or edit in the **e-Doc Manager**. The **System**

Administrator sets up the folder structure and awards permission to the appropriate users for each folder.

Folder Permissions

When users are granted access to a folder(s) it will be designated as "**Read**" (view only) or "**Read/Write**" (view, move and edit). If the user does not have either permission, s/he will not see the folder at all.

Accessing and Moving Documents

Users will see folders that contain documents, by choosing the folder tab on either the **Loan Snapshot e-Doc Manager**, or on the **Pop-out e-Doc Manager.** Enter a folder name or document name in the search field is necessary.
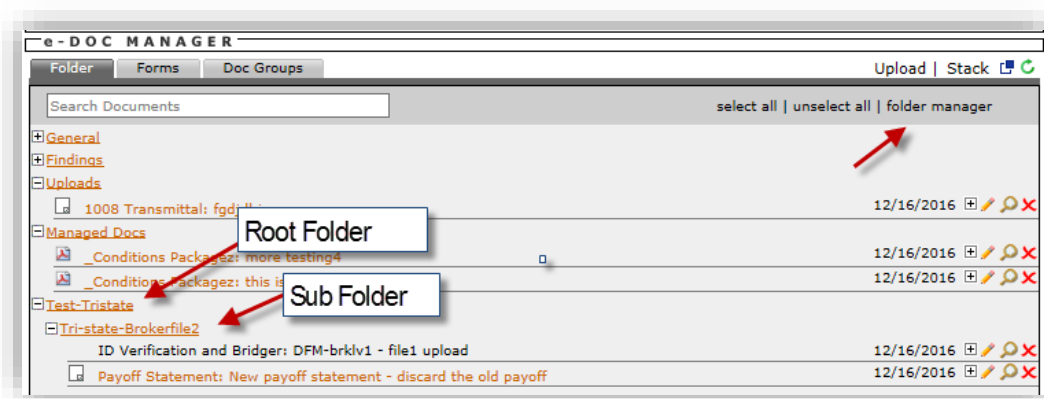
1. Click the **Folder Manager** link or tab to access the complete list of folders users have been given permission to either read only, or read/write.

2. Click the plus **+** to open a root folder and see sub-folders within and see what documents are stored inside.
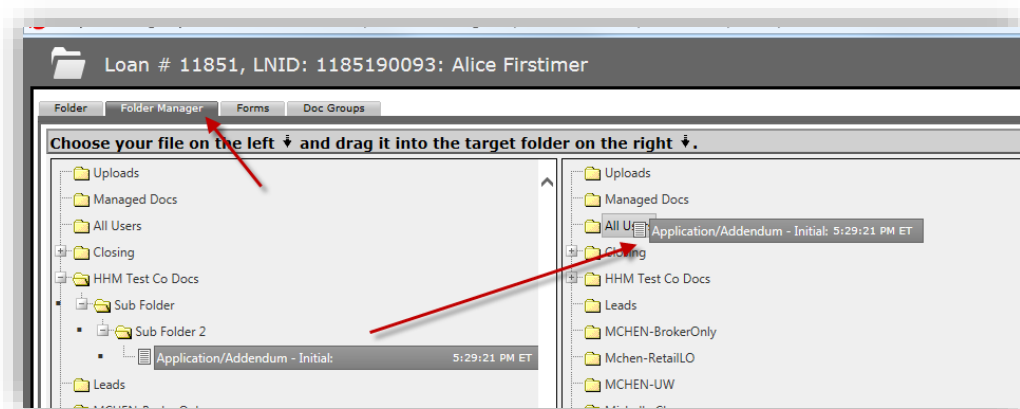
3. Here, users can open folders to drag & drop documents from one folder to another as long as they have been given read/write permission. Users can move more than one document at a time by holding down the Ctrl or Shift Key and multi-selecting the documents to be moved.

Uploading Documents Directly to a Folder

The **System Administrator** *may* set a default folder for each **Managed Doc Type**. This will determine a default destination folder for the document upon uploaded. The user *may* select a different destination folder from the dropdown list. Choices will include *only* folders the user has read/write access to. The **Upload** folder destination will always be available to all users.
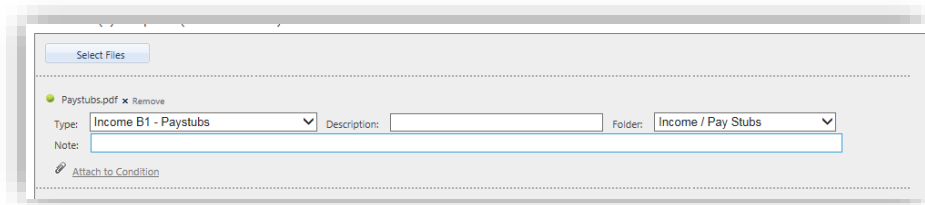
If the user selects a **Managed Doc Type** that has a default folder the user does not have permission to, the folder dropdown will be blank. The user can select any folder s/he has permission to use. If s/he selects nothing the document will be in the **Upload** folder after the user saves.
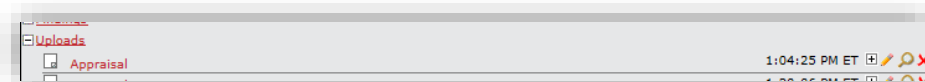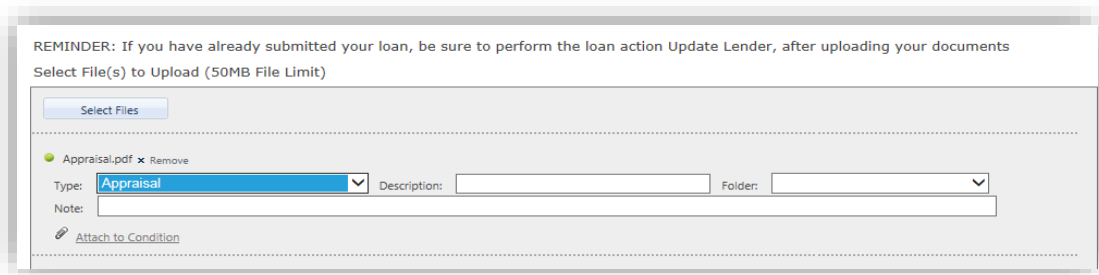
Note: New documents will become available for **Lender Employees**, if the user does a **Submit to Lender** or **Update Lender** (if loan has already been submitted for underwriting) or attaches the document to a condition directly on **The Lender Loan Response Document**.
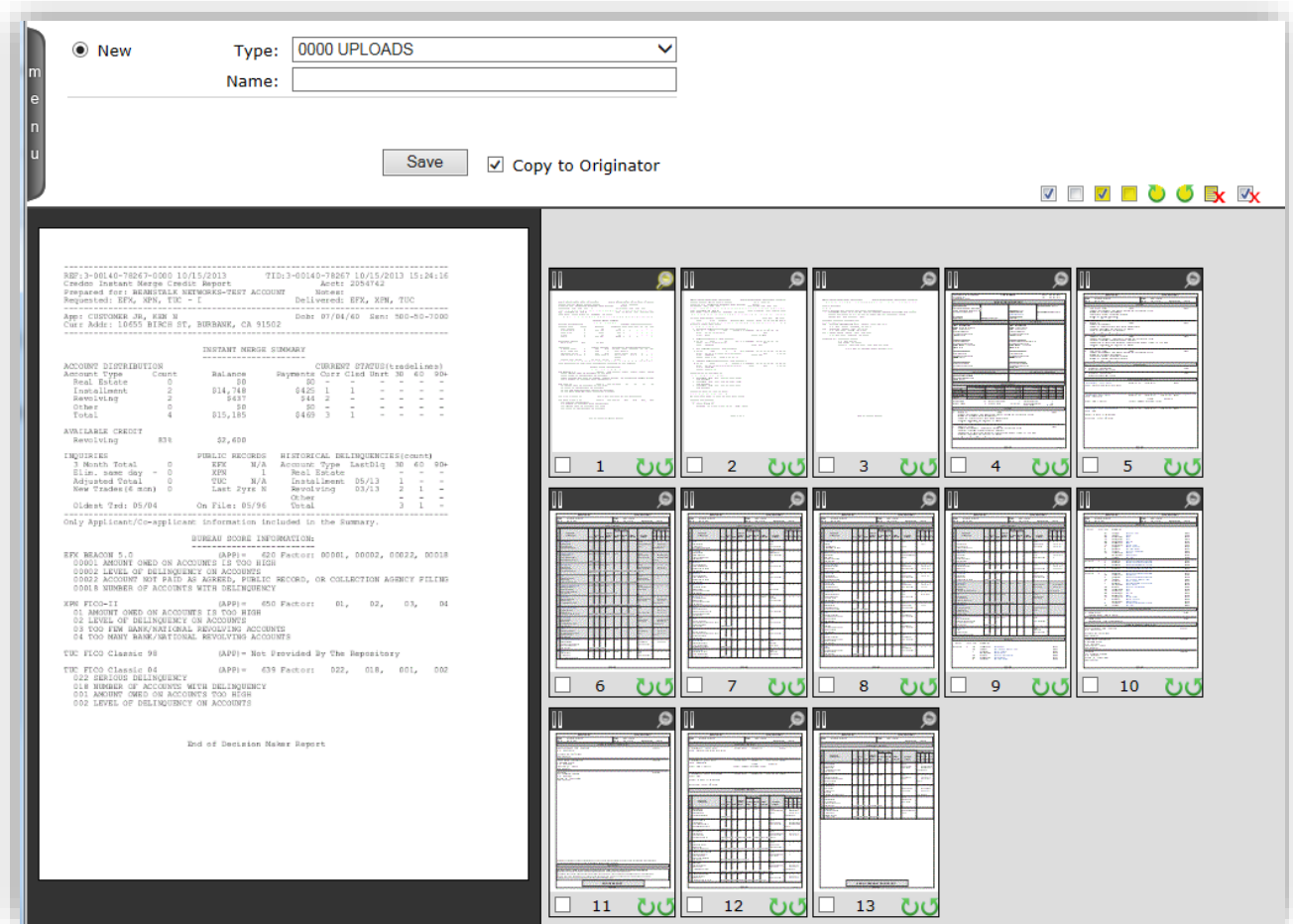
Editing Documents

The user has the option to move and edit the name of a document at the same time. To do so:

1. Click on the **Edit Pencil**
2. The **Edit Document** modal will open
3. Select the **Document Type** from the dropdown
4. Give the document a name (optional)
5. Select the destination folder from the **eDoc Folder** dropdown

6. **Attach Condition** select from the list if applicable
7. Make any notes (optional)
8. Click **Update Document**
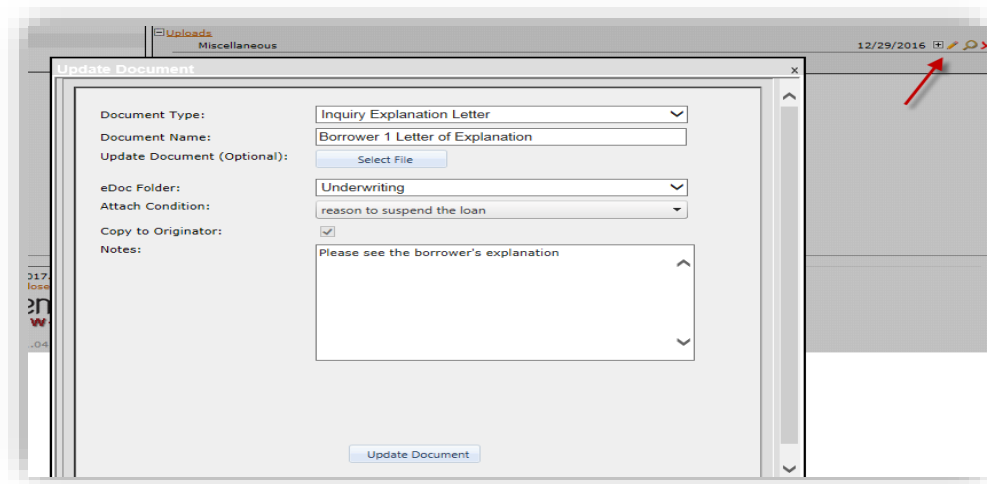
Update Lender

When uploading a __NEW__ document to any folder, on a loan that has been submitted to the lender, the user must **Update Lender** to make the document visible on the **Lender Side** of the loan.

When moving or editing an __EXISTING__ document, the system will automatically synchronize the **Lender** and **Originator** copies. Should user 1 move a document from a folder user 2 could access, to a folder that user 2 cannot access, user 2 will not see it any longer.

Folders Excluded From a Stack

When the **Administrator** creates **Custom Folders,** s/he can exclude them from the **Stacking** feature. Therefore, a folder may exist for the storage of documents that have been uploaded into a file but will not be used (e.g. paystubs that are too old to use). Managers should instruct users as to where to store documents that are not to be included in **Stacks**.

Printing, Publishing and Emailing Documents

There are two ways to **Print** a document from the **e-Doc Manager**.

1. Use **View** 🔎 or ✏ **Edit and Print** using **Print Preview** 🖨 print preview .

2. Click the ☐ **Checkbox** icon to flag and print multiple documents.

   - The **Print, Publish** and **Email** options will appear in the upper right corner of the **e-Doc Manager** section.
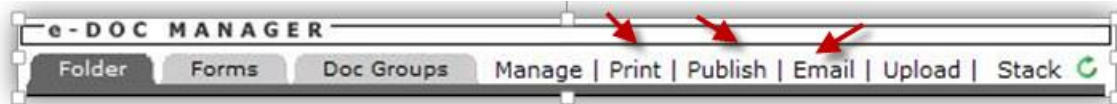
- Click **Print** to generate the flagged documents as PDFs for printing or saving.

Users can **Email** documents from the **e-Doc Manager** in one of two ways.

Note: Emailed documents can be password protected.

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1. Click the ☐ **Checkbox** icon to flag documents, and click **Email**.

   - A window will open for the user to enter the email address, subject, and comments.

   - The password for the documents will default to the primary borrower's social security number. This default password can be changed before the email is sent.

2. **Email** using the **Publish** feature. **Publish** enables additional features when emailing from **OpenClose**.

   - Click the ☐ **Checkbox** icon to flag document(s).

   - Click **Publish** on the tab at the top of the **e-Doc Manager**.

   - The **Publish Documents** screen will open and display the borrowers' names and email addresses.
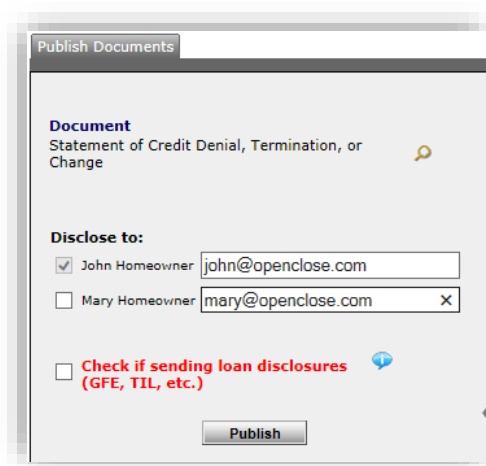
- Click **Publish.**

Note: **Doc Provider** interfaces are used to produce official disclosures. The **Publish** feature should *not* be used if disclosures will be emailed or mailed by the Doc Provider. Managers should instruct users when to use this feature.

- Select "**Check if sending loan disclosures"** *only* when sending official disclosures prepared by the **Doc Provider**. This will populate a date in the **eDisclosures Sent Date** on the **Loan Info** screen, **Tracking** tab.

- The borrower will receive an email asking them if they would like to receive the documents electronically and will be instructed to **Click Here** to submit their preference.

  - A webpage will open and the borrower must input the last four digits of the SSN for the borrower displayed on the page.

  - The borrower must input a viewing code, which is displayed on the page.

  - The borrower will either consent or decline.

  - If the borrower consents, s/he will receive an email with the consent document attached.

  - If the borrower consents, the **eDisclosure Consent Accepted** date will autofill on the **Loan Info** screen, **Tracking** tab

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Note: If the borrower chooses **No, I do not Consent**, s/he will see a confirmation webpage with the contact information for the **Originator**.

- The borrower will be presented with a page displaying the documents.

- The borrower can view, print and save the documents. The borrower cannot e-sign the documents

- When the borrower views the documents, the **eDisclosure Viewed** date will autofill on the **Loan Info** screen, **Tracking** tab

- The user is notified via email that the borrower consented and viewed the documents, or that the borrower did not consent.

- The **Publish** feature has a **Published Docs History** link that can be accessed on the loan snapshot.

- The published Docs History displays the following for published document requests:

  - A list of the documents that were published.

  - Name of the borrower documents were sent to.

  - Email where the notification was sent.

  - Disclosure Sent date and time.

  - User who sent the documents.

  - Date borrower clicked on the link in the email notification.

  - Borrower's consent response (True = accepted, False = declined).

  - Date the borrower viewed the documents.

  - Link to view sent documents.

Document History

Each time a document, or the data that creates a document, is saved, a new version of the document is stored in the loan's **e-Doc Manager**. A notation of the user, and the date and time, are recorded. To access a document's history, click the ⊞ **Plus** icon to the right of the date.
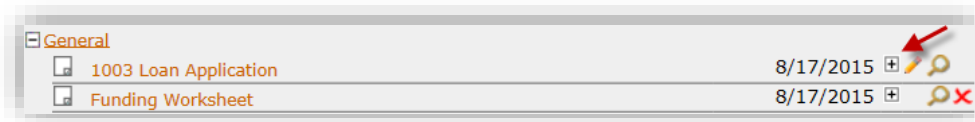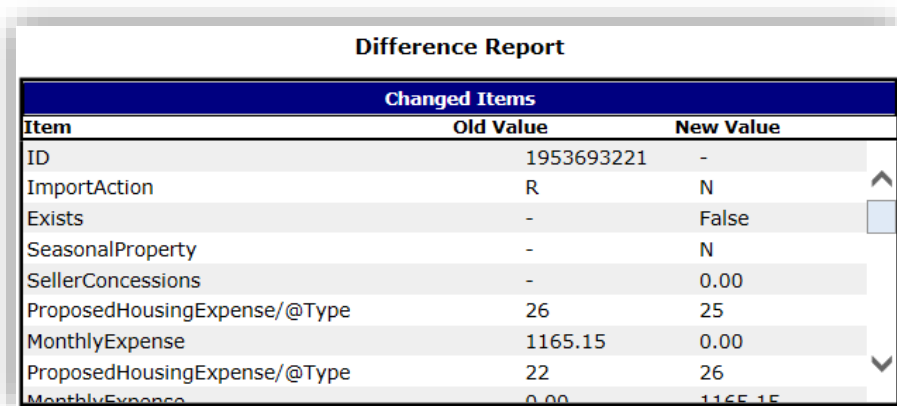
Some documents, such as the 1003, allow the user to view previous versions by clicking **View**. To revert to a previous version of the document, click **Use**.

> **Note:** Loans in certain stages will not have the **Use** button available.
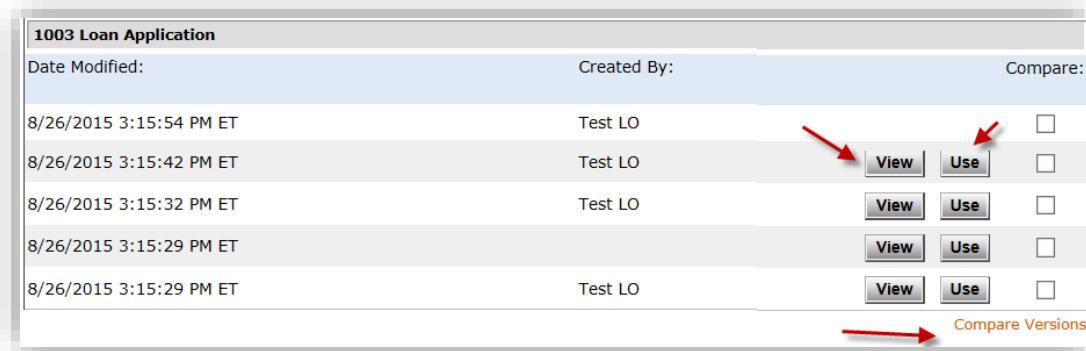
> **Note:** Reverting to a previous version will cause data updates, made after the selected version was created, to be lost.

Users can compare two different versions by checking two boxes under the **Compare** column and then clicking **Compare Versions** at the bottom of the screen. A **Difference Report** will be generated. The report can be printed.

Forms

Most documents in the **e-Doc Manager** are system generated, returned from an interface, or uploaded by users. However, **Lenders** may store custom forms in the **e-Doc Manager Forms Folder** for user access, (e.g. Appraisal Review Checklist, Counter Offer Form).

Users have access to a library of forms and verifications. When a form is added to a loan, information from the loan will automatically populate fields, saving time and reducing data entry errors.
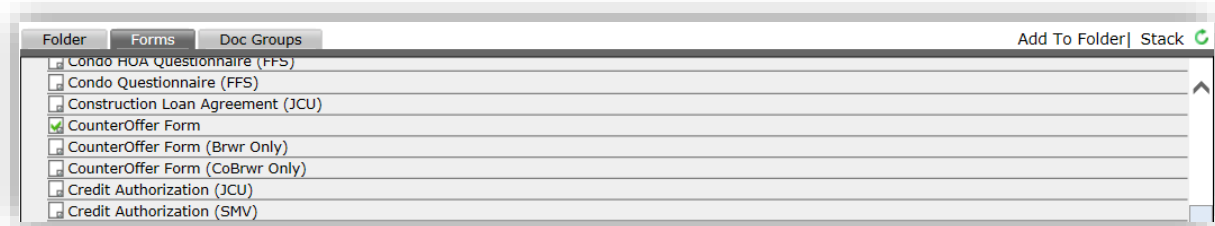
To access the available forms, click the **Forms** tab. Click the ⊞ **Plus** icon to expand a category, and the ⊟ **Minus** icon to collapse it.

Adding Forms to Loans

To add a form to a loan, follow the steps below.

1. Click on the **Forms Tab** in the **e-Doc Manager**.

2. Locate the forms to add to the loan.

3. Click the box to the left to flag the form(s).

4. The **Add To Folder** option will appear in the upper right corner of the **e-Doc Manager** menu.
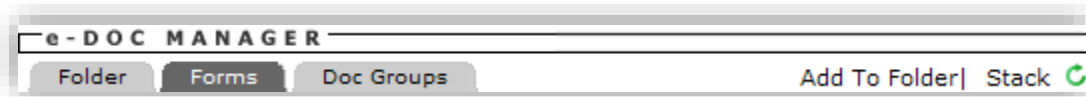
5. Click **Add To Folder**. The user will be returned to the **Folder** tab.

6. Forms will be in the appropriate folder. For example, if the user added the Counter Offer form from the **General** section, it will be in the **General** folder.

For data to automatically populate into a form, the user must click the ✏ **Edit** icon. While the forms receive their initial data from the 1003, Fees Worksheet, and other screens, any changes to these forms will *NOT* update the system.

Forms added to the loan in this manner cannot be managed. Therefore, the user should create a PDF of the form and upload it to the appropriate folder if it needs to be included in a **Stack**.

Editing Forms in the e-Doc Manager

To edit a form, click the ✏️ **Edit** icon.

When editing a form, the user can:

- Assign individual forms to individual borrowers. (VOE, VOD, etc.)

- Add information to editable fields.

- Click **Print Preview** on the upper right of the **Edit** screen to view and print the document.

Note: Not all forms and/or fields on a form can be edited. When the user **Saves** after editing, mapped data *will* revert to what is in that field within the system. Therefore, after editing fields populated by the system, the user should save a version as a PDF, then print and/or upload it into the file. Data added to non-mapped fields will be retained after a save.

Stacking Documents

The system has a **Stack** feature that allows users to automatically create a file of pre-determined documents in a predetermined order. This feature is particularly useful when preparing files to **Submit to Lender** or to ship to an **Investor**. It is common for **Lenders** or **Investors** to require specific documents in a specific order when reviewing a loan. The **System Administrator** will create the stacks and set the system to include the correct forms.

To create a **Stack**:

1. Click **Stack** in the upper right corner of the **e-Doc Manager.**

2. Select the **Stack** name from the dropdown menu.
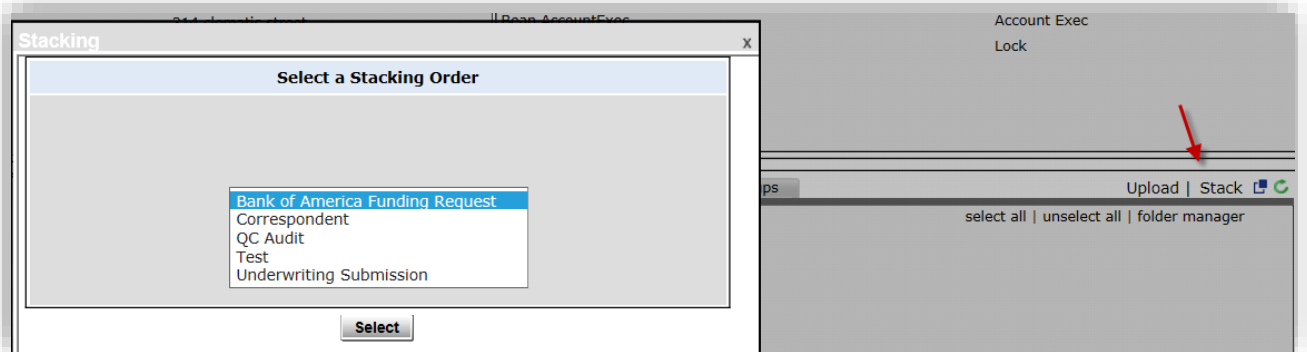
3. The system will generate a list of any documents that belong in the stack *but are not* in the **e-Doc Manager**.

The following stack order documents are NOT present in the eDoc manager.

- 0110 Loan Approval
- 0120 Investor Approval
- 0210 AUS Findings
- 0500 CREDIT
- 1052 CLOSING: Closing Wire Worksheet
- 1051 CLOSING: Closing Funding Figures Worksheet
- 1060 CLOSING: Closing Checklist
- 1064 CLOSING: Closing Instructions
- 1068 CLOSING: Preliminary HUD
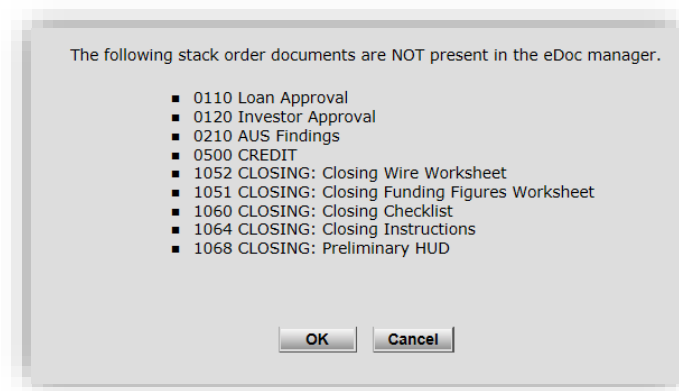
OK   Cancel

4. The user should review the missing documents and determine if they are needed. If so, click **Cancel** to return to the **e-Doc Manager** to add the required documents.

5. Once the user clicks **OK**, the **Stack** of documents will be available for viewing in the **e-Doc Manager, Managed Docs** folder.

Note: The documents to be stacked are recognized by the **Managed Doc Type** assigned to the document when uploaded or managed. Therefore, it is important to assign the proper **Managed Doc Type** when uploading or managing a document. All versions of the document identified with the **Managed Doc Type** will be included in the stack, so the user should either re-name any versions s/he would not like included *or* store them in a folder that is not considered in the stack.

Message Center and Loan Notes

Overview

In addition to system-generated emails, **OpenClose** provides a secure, internal messaging system, which allows loan-based and user-based messages throughout the loan process. The system also has a loan notes feature that is an additional communication tools.

Accessing the Message Center

The **Message Center** can be accessed in multiple ways:

- For messages about all loans in the pipeline:

    1. Click the **Alert** in the top right corner of the page.
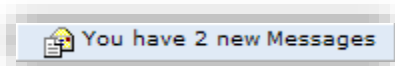
Note: The **Alert** will disappear once the user has clicked on it.

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    2. Click the **Envelope** icon on the **Top Navigation Bar** while on the home page to open the **Message Center**.
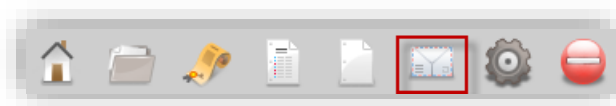
    3. Messages for multiple loans are available.
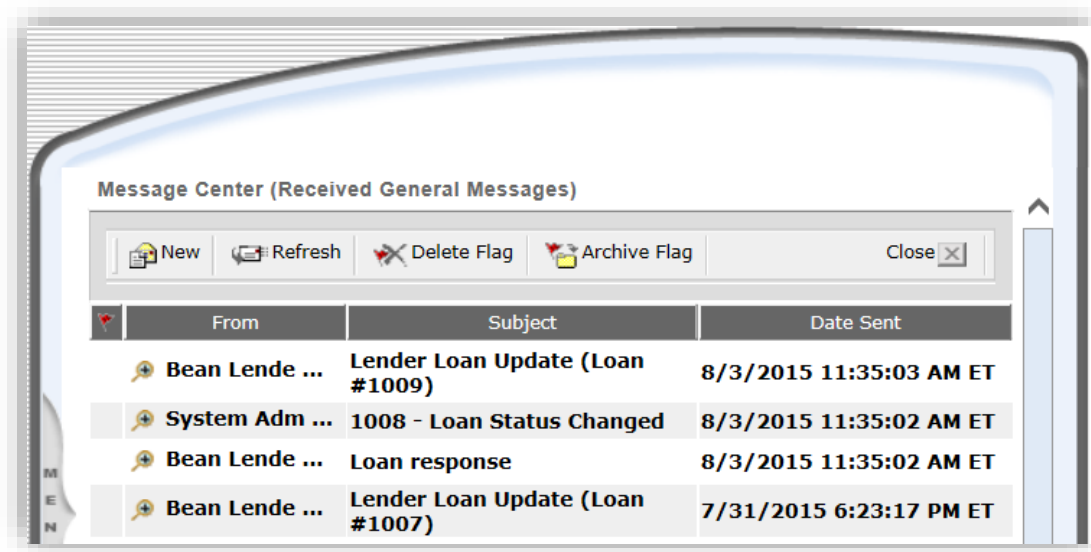
- For messages about an individual loan in the pipeline:

   1. Click the ⬚ **Unread Messages** icon on the Pipeline Summary page.

Note: The alert will disappear once the user has clicked on it.

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   2. Click the **Envelope** icon on the **Top Navigation Bar** while in a loan.
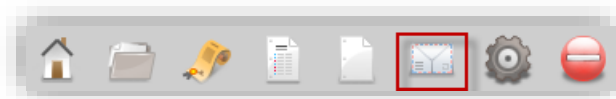
Message Center

- Messages displayed in bold have not been opened yet.
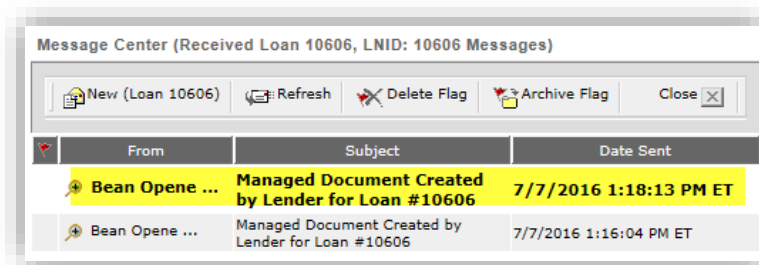
- Placing the cursor over the **Menu** icon on the left side of the page, allows the user to see the **Inbox** and **Sent Items**. Both the active and archived messages can be viewed.
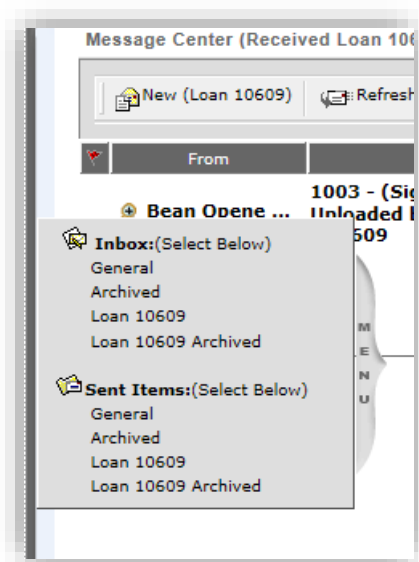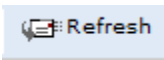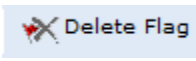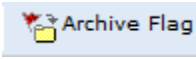
Icons

The following are the function icons available in the **Message Center** and within a message.

Message Center

- **New** – Click to create a new message.

Note: New messages can only be sent to other user(s) involved in the loan. For example, on a newly created loan not yet submitted, only the originator is "involved". Once submitted, other users will be involved.
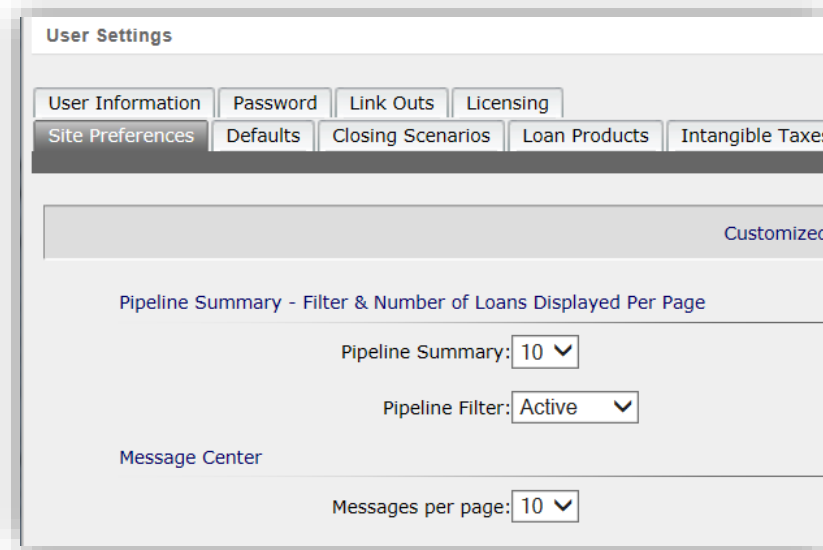
- **Refresh** icon – Click to refresh the **Message Center**.

- **Delete Flag** icon – Click to delete messages.

- **Archive Flag** icon – Click to archive messages.

Within A Message

- **Reply To Message** icon – Click to reply to the message.

- **View All Messages For This Loan** icon – Click to view all messages associated with the loan.

- **Go To the Loan** icon – Click to open the associated loan.

- **Go To the Document** icon – Click to view the associated document.

Configuring the Message Center

The user can define the number of items to be displayed per page under the **Site Preferences** tab of the **User Settings**. The value ranges from 10 to 50 for messages in the **Message Center**.
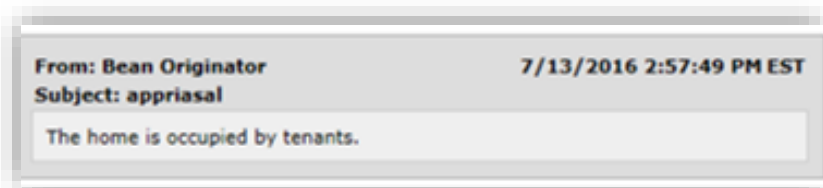
Loan Notes

- The **Loan Notes** tool allows users to add information for users to refer back to at any time.

- To access, click the **Loan Notes** icon on the **Top Navigation Bar.**
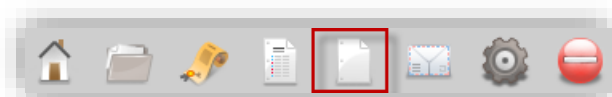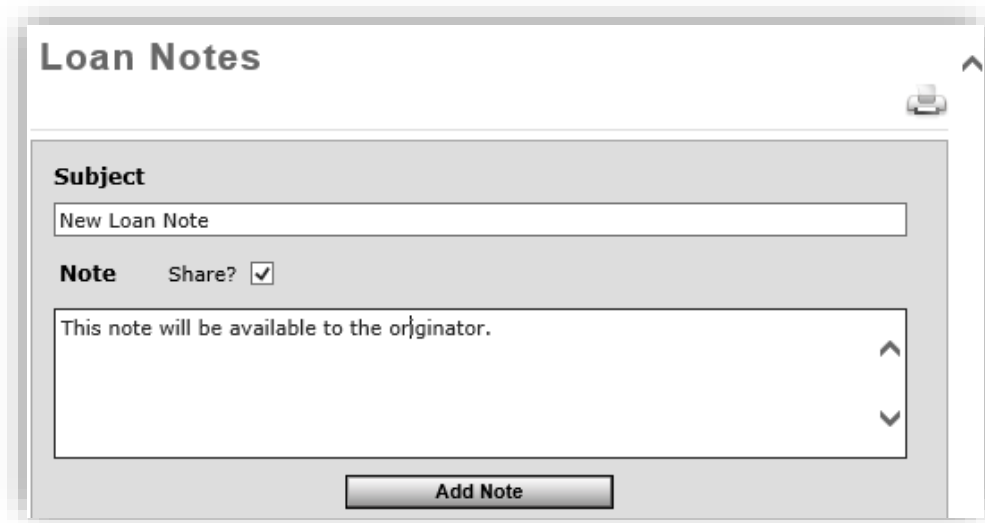
- The **Loan Notes** window will open and can be dragged to a second monitor allowing the user to review the loan and the **Loan Notes** simultaneously.

- To create a **Loan Note**, complete the **Subject** line and **Note** section. Click **Add Note**.

- The **Loan Note** remains in the file for future reference and specifies the user who created it and the date and time it was created.

- **Loan Notes** can never be deleted.

- **Loan Notes** cannot be reported on.

- **Loan Notes** entered by an **Origination** side user can viewed by any user who has access to the loan.

- **Loan Notes** entered by a **Lender** side user can viewed by other **Lender** users.

- **Lender** users have the option to make the note available to **Origination** side users by clicking **Share?** If the **Lender** user does not click **Share** the **Origination** side user will not see it.

Loan Notes

Subject

New Loan Note

Note   Share? ☑

This note will be available to the originator.

Add Note

6

Originating Loans

Overview

The purpose of this chapter is to acquaint the user with the functions that are typically associated with the origination process.

Icons

The following are action icons that are available throughout the system.

- - Click to open a popup that allows the user to enter information to make a calculation (e.g., MI or proposed rental income). In some cases, the calculator is informational, showing the formula and factors the system used to make a calculation. In these cases, the user will not enter data directly into it (e.g., LTV or DTI).

- - Click to look up and select (e.g., loan product, closing cost scenario).

- - Click to open and enter additional information data (e.g., MI info) or read helpful system information.

- - Click to add additional fields to a section (e.g., add employers or assets).

- - Click to look up a contact and apply it to a loan (e.g., realtor, insurance agent).

- - Click to select a date.

- - Click to refresh a screen (e.g., e-Doc Manager).

- - Click to save the current screen.

- - Click to print preview and print.

- Linked Loan - Click to switch between two loans that have been linked because they area first and second lien on one property.

Creating Loans

Level 1, **Level 2 and Level 3 Originator** can create loan files. If granted permission by the **System Administrator, Level 1 Originators** can create loan files on behalf of other **Originators. Lender Employees** can also create loans on behalf of an **Originator**.

Note: When *any* user creates a loan *on behalf of another* user an **Originator** must be assigned to the loan in the **Select Originator** field. When a **Level 1 Originator**, who has permission to create loans on behalf of others, uploads any loan he/she *must* also select an **Originator** even if he/she is the Originator. This prevents the user from making themselves the Originator in error.
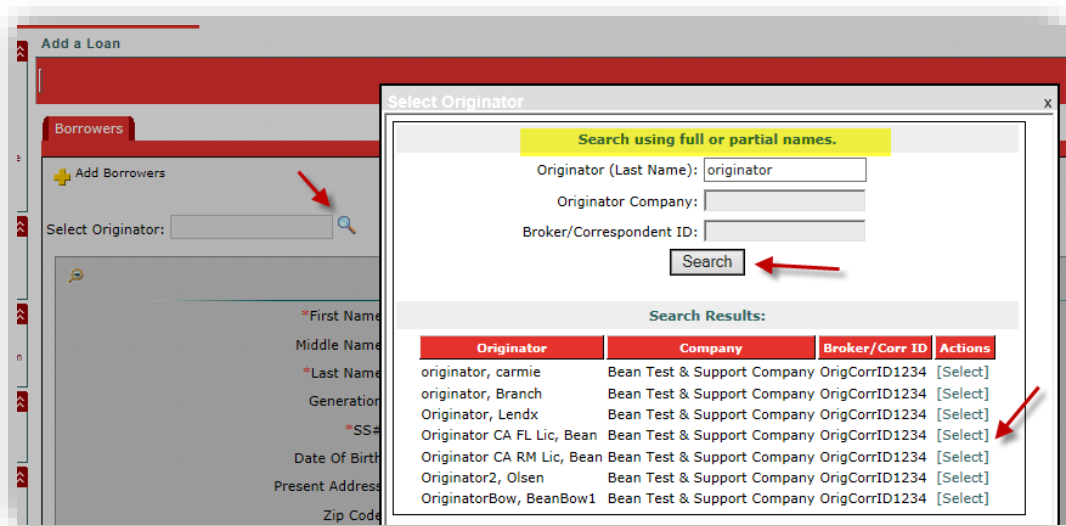
To create a new loan, users will either:

- Upload an existing Fannie Mae format loan (3.2 fnm file) from another loan origination system (LOS) (e.g., Calyx Point).

- Enter the loan data directly into **OpenClose**.

Note: Users can also create loans using the **Price, Register, Lock** options on the **Home Page** or from **Quick Pricer** on the Left Nav. For more information, see Chapter 7 **Pricing, Registering & Locking Loans**.

Uploading Loans

Use the **Upload New Loan** option to upload loans that have been created in a different LOS. The loan files should be in the industry standard Fannie Mae format (.fnm file).

Note: All LOS systems allow for exporting a loan as a FNM file.

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1. Click **Upload New Loan** on the **Left Nav** from the **Add a Loan** menu or on the home page.
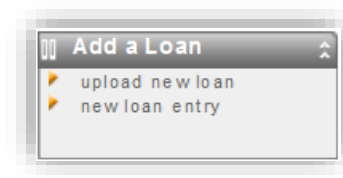
2. The **Loan Upload Selection** page will appear.

3. Click the **Magnifying Glass** to search for the **Originator** and **Select**.

4. The user can select 1 to 8 Fannie Mae 3.2 files to upload at a time. Each will be assigned a different loan number.
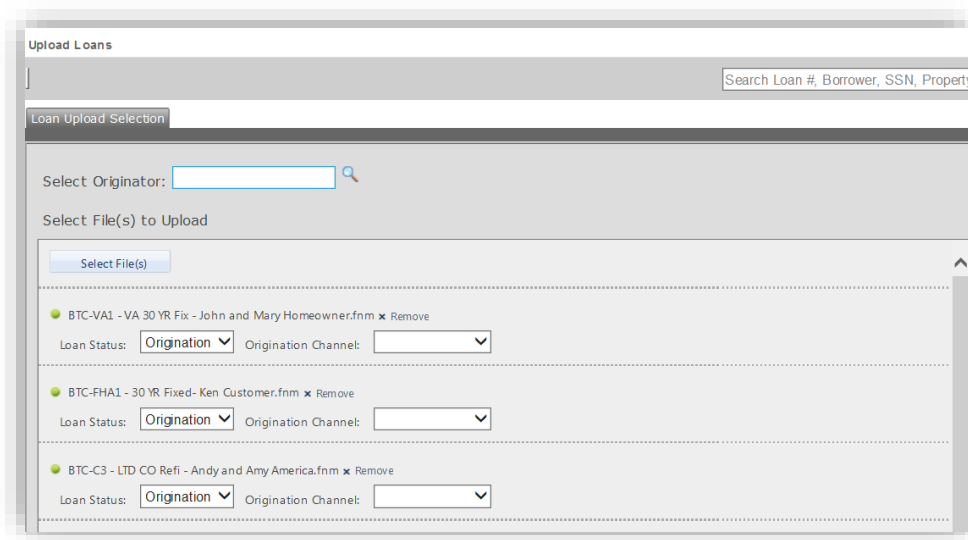
5. Select **Loan Status** – **Origination** or **Prospect**.

6. Select **Origination Channel**
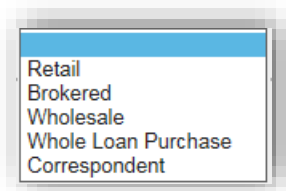
Note: Available Origination Channels will depend on settings.

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7. Select **Destination after upload** – the page the user will land on after clicking **Upload Loan(s)**. When uploading multiple loans, any selection other than

Pipeline Summary will apply to the first loan listed.
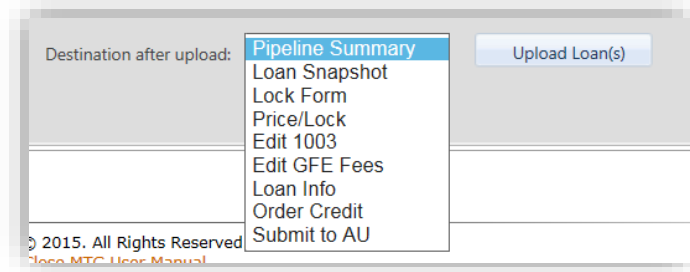
8. Click **Upload Loan(s)**.
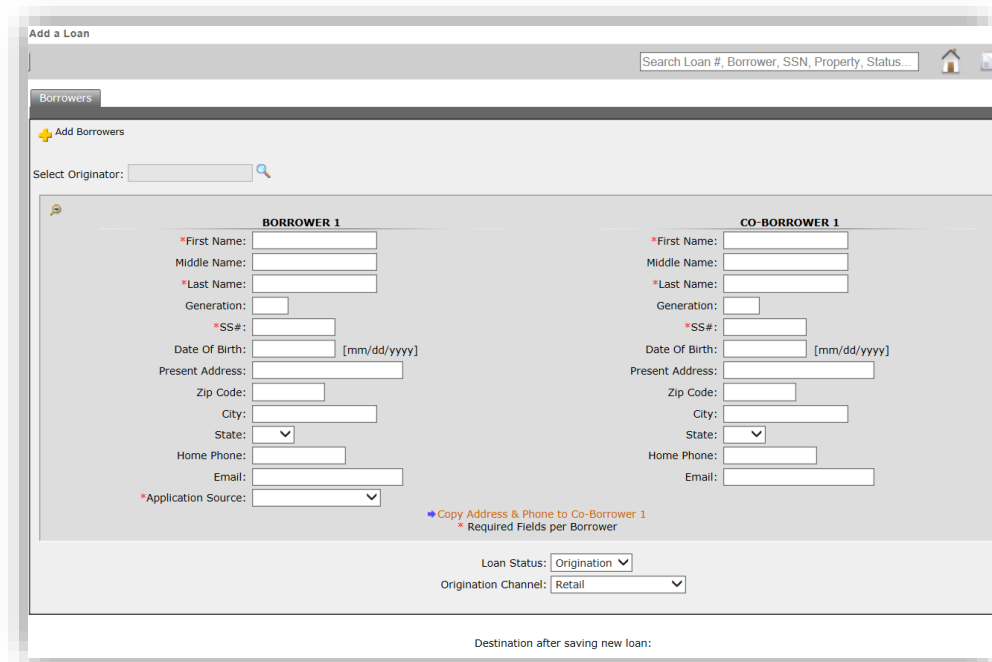
Manual New Loan Entry

Users can originate loans in **OpenClose** without the use of another LOS system. To create a loan in **OpenClose**, follow the steps below.

1. Click **New Loan Entry** on the **Left Nav** or from the **Add a Loan** menu or on the home page.
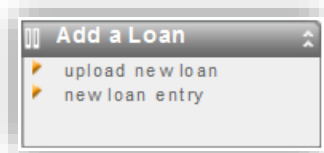
2. The initial data entry page will appear.

3. Select **Originator** - if the user creating the loan is not the **Originator**, click the **Magnifying Glass** to search for and select the **Originator**.

4. Enter the primary borrower information. Fields marked with a red asterisk are **Required Fields**.

5. Select **Loan Status** – **Origination** or **Prospect**.

6. Select **Origination Channel**.

7. Select **Destination after saving new loan** – the page the user will land on after clicking **Save New Loan.**

8. Click **Save New Loan**.

Editing the 1003

From the **Loan Actions** menu, select **Edit 1003**.

- The **Edit 1003** screen is organized like the Uniform Residential Loan Application (Fannie Mae form 1003, Freddie Mac Form 65). The tabs across the top represent the sections of the printed form as well as some additional sections.

Note: Not every tab, field or function of the **Edit 1003** screen will be discussed in this section.   However, several that require specific instructions are mentioned below.

- Information from the 1003 is used to make numerous calculations and will flow to other screens. If the loan is originated by uploading the data contained in the Fannie Mae 3.2 file, it will populate in the appropriate fields.

Note: If **The Company** workflow is to order credit via **OpenClose**, the **Liabilities** tab can be completed by selecting **Merge Liabilities** on the **Loan Action Menu**. This eliminates the need to manually enter each liability. For more information, see **Credit Report Screen** below.
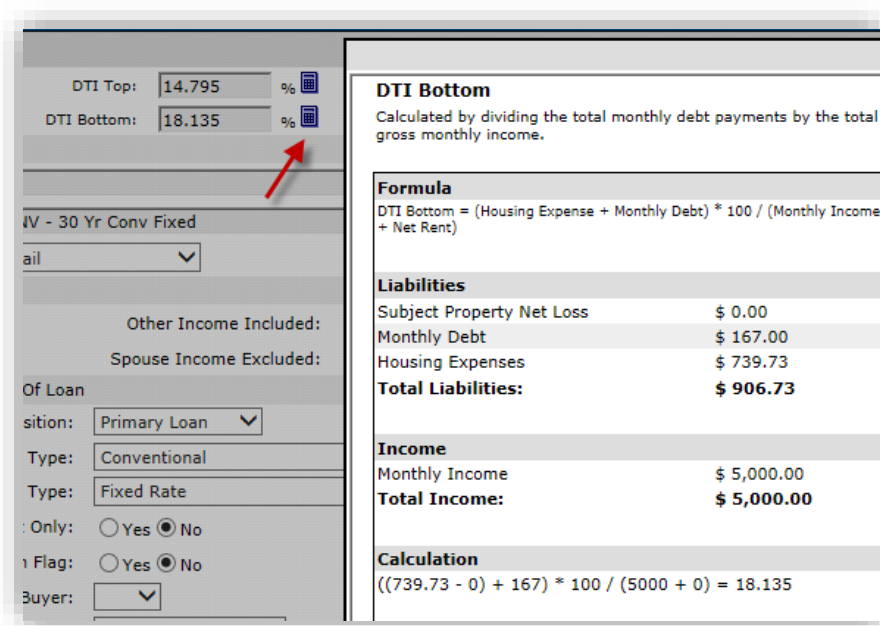
- A variety of fields and icons appear on the screen to capture and display information that is not in an actual field on the 1003. Most fields on the **Edit 1003** screen are familiar to users in the mortgage business. Some are unique to **OpenClose** and will be addressed here.

Note: Fields that are grayed out cannot be edited by the user and will populate based on user actions and data entered.

Types and Terms Tab

Informational Calculators

There are several informational **Calculators** along the top of the **Types and Terms** tab. By clicking on the **Calculator,** the user can see the formula the system is using to make the calculation.
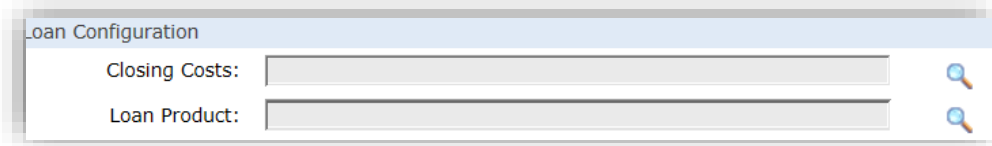
Disclosure Basis & QM Type

The **Disclosure Basis** and **QM Type** are displayed on the **Types and Terms** tab of the **Edit 1003** screen.

- If **Loan Type = HELOC**, the **Disclosure Basis** will auto-populate to **2010**, otherwise it will be **TRID**.

- The **Home Equity Loan Indicator** box (on the bottom right of the screen) should *only* be checked when the loan is a closed end **HELOAN** that is *not* a Refinance of a mortgage on the subject property. This indicator sends the proper data to the Doc Provider so the **Purpose of Loan** on the **LE** will be **Home Equity**.

- The **QM Type** and **QM Guidelines** may be displayed on the **Types and Terms** tab of the **Edit 1003** screen. Settings configured by a system administrator determines if the field displays and if it is editable.

Applying Loan Products and Closing Cost Scenarios

The option to select a **Loan Product** and **Closing Cost Scenario** is available on this screen. Click the **Magnifying Glass** to select from the list of options.
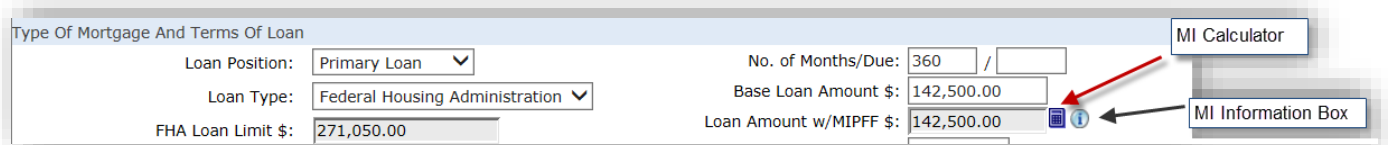
- Once a **Closing Cost Scenario** has been selected on a loan, it can only be changed on the **Edit Fees Worksheet** screen, because a change to the **Closing Cost Scenario** will remove any edits that were made on that screen previously.

- If the 🔍 icon does not appear next to **Loan Product**, it cannot be selected on this screen. It will be selected when the user prices the loan via **Price/Lock**. This forces the user to select an eligible product. Pricing will only be returned for eligible products based on the loan data.

- **Lien Position** and **Loan Type** *must be selected*. By making these selections, certain predetermined data is applied to the loan eliminating the need to enter the data manually.

Note: There are often multiple locations to access and enter information, eliminating the need to navigate away from a screen to add data elsewhere.
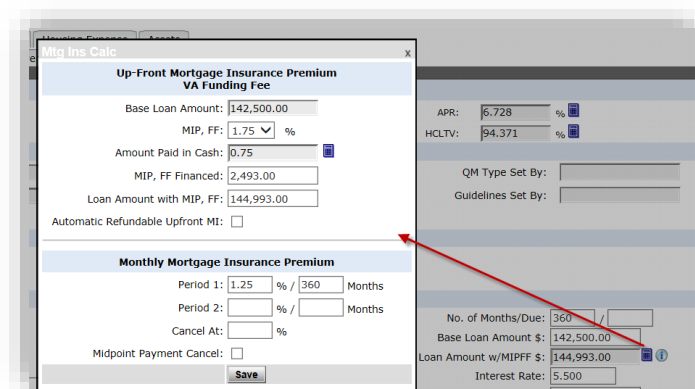
MI Calculator

The **MI Calculator** is available on this tab, as well as others throughout the loan.
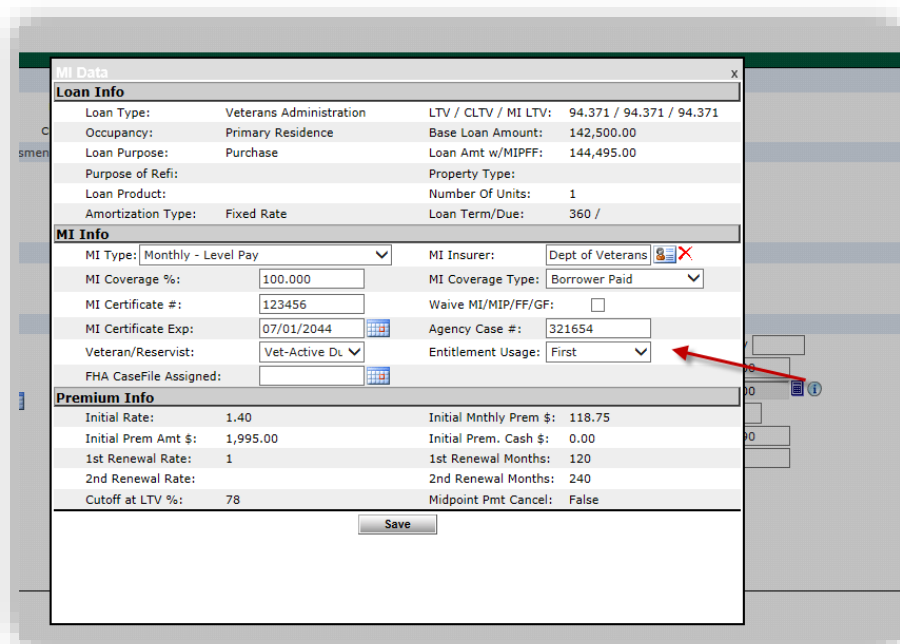
- The user should complete the **Loan Type** before putting data in the **MI Calculator** to ensure applicable rules and options are applied to the loan.

- Complete the **MI Calculator** factors and the system will calculate the monthly MI, any applicable upfront amounts and populate the monthly MI amount in the proposed payment on the **Housing Expense tab.**

- The **MI Information Box** gives the user the opportunity to save information such as the MI provider and certificate number. Click the ⓘ **Information** icon to open it.

MI Interface

The **OpenClose** MI Interface Feature allows users to request an MI Rate Quote from an MI provider from within the **OpenClose** System.
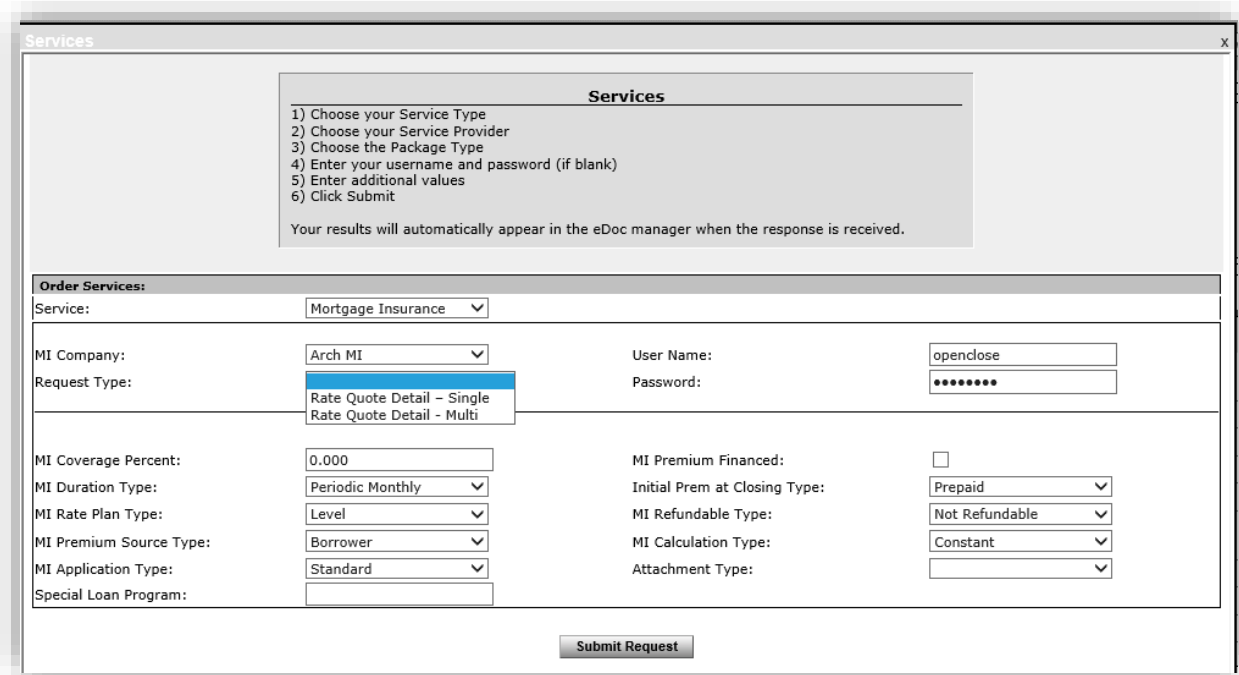
- The MI Interface modal can be accessed by clicking on the icon, on any of the following locations:

  1. **Loan Info** screen, **Loan Amount w/MIPFF $**
  2. **Edit 1003** screen, **Types and Terms** tab, **Loan Amount w/MIPFF $**
  3. **Edit Fees Worksheet** screen, **Loan Amt + Financed UFMIP / FF**

Note: the icon will be visible and will open the modal even if the lender has not set up the interface with ARCH MI.

- The MI Interface modal can also be accessed from the **Loan Action Menu** by selecting **Services**

Note: Credit Scores are required to receive an MI Rate Quote. They can be automatically populated by ordering credit in **OpenClose**, or the user can input Credit Scores on the **Loan Info** screen. The lowest of all middle scores is sent to the MI provider.

- **Services Screen**

  - **Service**:
    - o Mortgage Insurance will display. Other options may become available with future releases
  - **MI Company**
    - o If the **Lender Administrator** has input the credentials for Arch MI, Arch MI will display in the dropdown. Other MI providers may be added with future releases
  - **Request Type**
    - o Rate Quote Detail – Single
      - ▪ This will provide the user with one option
    - o Rate Quote Detail – Multi
      - ▪ This will provide the user with several options in a side-by-side comparison view, if the loan is eligible for more than one option
  - **User Name**
    - o This populates from **System, Company, or User Settings** as configured by the **Lender Administrator**

- **Password**
  - o This populates from System/Company/User Settings as configured by the **Lender Administrator**
- **MI Coverage Percent**
  - o This defaults to a percentage based on the loan's data, but the user can change it
    - ▪ Standard Coverage Percentages used are based on LTV and Amortization:
      1. 85% ≤ 20 Years 6%
      2. 85% > 20 Years 12%
      3. 90% ≤ 20 Years 12%
      4. 90% > 20 Years 25%
      5. 95% ≤ 20 Years 25%
      6. 95% > 20 Years 30%
      7. 97% ≤ 20 Years 35%
      8. 97% > 20 Years 35%
- **MI Duration Type**
  - o This defaults to Periodic Monthly, but the user can change it to
    - ▪ Annual
    - ▪ Single Life of Loan
    - ▪ Not Applicable
    - ▪ Other
- **MI Rate Plan Type**
  - o This defaults to Level, but the user can change it to
    - ▪ Back Loaded
    - ▪ Modified Front Loaded
    - ▪ Other
    - ▪ Standard Front Loaded
- **MI Premium Source Type**
  - o This default to Borrower, but the user can change it to
    - ▪ N/A
    - ▪ Lender
- **MI Application Type**
  - o This defaults to Standard, but the user can change it to
    - ▪ Delegated
    - ▪ Other
- **Special Loan Program**
  - o This defaults to Blank, but the user can type in the data
    - ▪ Lender should discuss with Arch MI what data is appropriate for this field
- **MI Premium Financed**
  - o This checkbox defaults to Blank, but the user can check it
- **Initial Prem at Closing Type**
  - o This defaults to Prepaid, but the user can change it to
    - ▪ Deferred
    - ▪ Other

- **MI Refundable Type**
  - o This defaults to Not Refundable, but the user can change it to
    - ▪ Other
    - ▪ Refundable
    - ▪ Refundable with Limits
- **MI Calculation Type**
  - o This defaults to Constant, but the user can change it to
    - ▪ Average Annual Scheduled Unpaid Principal Balance
    - ▪ Base Loan Amount
    - ▪ Constant
    - ▪ Declining
    - ▪ Other
    - ▪ Percent Of Current Balance
    - ▪ Percent Of Original Balance
- **Attachment Type**
  - o This defaults to Blank, but the user can change it to
    - ▪ Attached
    - ▪ Detached
    - ▪ Semi-detached
- **Submit Request**
  - o When the user Submits Request, data from this screen and from the loan is sent to Arch MI
  - o Arch MI then returns a Rate Quote based on this data entry

---

Note: Similar to the pricing engine, if the user does not receive any results it is likely that the data is not an eligible scenario. The user should modify their data and submit again.

The interface may return a message if information is missing or to provide information about why the loan is not an eligible scenario.

For example, on an FHA loan, a user will see this in red text:

The Mortgage Type provided is not valid. CMG_MICompany only accepts Conventional loans

OR

If loan terms are not eligible, the user will see a message like this:

For Standard Program, the minimum FICO for Second Home is 660.

- **MI Result -** Once the user receives an eligible response from Arch MI, the user will see the single or multiple options displayed in the MI Result modal:

MI Result   x

PREMIUM PLAN OPTIONS	7/28/2017 1:55:51 PM				
MI estimates are based on 30% coverage	BPMI EZ Monthly NonRefundable (Constant Renewal)	BPMI Single NonRefundable	LPMI EZ Monthly NonRefundable (Declining Renewal)	LPMI Single NonRefundable	FHA
Rate Quote ID	M4589238S42EFE	M4589239S5BCFD	M4589240S774E2	M4589241S92CC6	M4589242SAA5B2
Upfront MI Premium	0.00	11,810.40	0.00	15,507.80	4,655.00
Upfront MI Premium Rate %	0.000	4.440	0.000	5.830	1.750
Upfront MI Premium Tax Amount	0.00	0.00	0.00	0.00	0.00
MI Premium Tax Rate %	0.00	0.00	0.00	0.00	0.00
Original Base Loan Amount	266,000.00	266,000.00	266,000.00	266,000.00	266,000.00
Initial Note Rate %	4.25	4.25	4.25	4.25	4.25
Monthly Payment (P&I)	1,308.56	1,308.56	1,308.56	1,308.56	1,308.56
Monthly MI Premium	356.88		370.18		177.33
Monthly MI Premium Rate %	1.61		1.67		0.80
Monthly Monthly P&I and MI Payment	1,665.44	1,308.56	1,678.74	1,308.56	1,485.89
P&I and MI Cost Over Five Years	21,412.80	11,810.40	0.00	0.00	15,294.80
5 Year Cost Comparison	6,118.00	-3,484.40	-15,294.80	-15,294.80	
Select MI Product	○	○	○	○	○

Select

Disclaimer:
Rate quotes generated are estimates based on the information you provided, considering currently applicable laws, rates and factors, all of which are subject to change without notice. A rate quote does not constitute a contract, binder or agreement to extend insurance coverage. Your actual rate may vary. To obtain a final rate, please submit the loan for issuance of an insurance Commitment through your normal submission channel. Default coverage percentages displayed for quotes are based on current GSE requirements, but we recommend that you verify adherence to investor requirements. Coverage is subject to approval under appropriate Arch Mortgage Insurance Company underwriting guidelines and rates in effect on the date the insurance Commitment is issued. For additional information, please contact MI Operations at 800.897.4264. Arch MI's RateStar Promise: for the next 90 days we will honor the premium rate shown in this quote on any mortgage insurance commitment we issue for the loan attributes listed above, provided the quote is based on RateStar pricing appropriate to your master policy number, and the rate is legally available for use in the applicable state.

1. Click on the gray rectangular button for each Rate Quote ID to view a pop up of the loan's MI details for that MI program

M4589238S42EFE
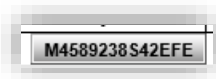
✧Arch | MI

13100

Your loan for $266,000 for a property in FL valued at $285,000 with 30% coverage using a credit score value of 639 has the following MI premium options.

If you wish to Order MI via ArchMIConnect℠, use the quote Ref # to search your Company Rate Quote Pipeline and select [Order MI].

RATE REQUESTED 07/28/2017

EZ MONTHLY
Borrower Paid | Non-Refundable | Constant Renewal | Rate Sheet
Ref #M4589238S42EFE

Initial Rate
1.610%

Total Initial Premium
$356.88

1st Renewal Rate
1.610%

2nd Renewal Rate
0.200%

QUOTE DETAILS

PROPERTY		LOAN INFORMATION	
Zip Code	33401	Loan Purpose	Purchase
City	Haslett, FL	Loan Amount	$266,000
Property Type	SFD (Single Family Detached)	Property Value	$285,000
Occupancy	Owner Occupied	Loan to Value	95.00%
		Coverage	30%
		Loan Term	360 mos.
		Amortization Term	360 mos.
APPLICANT		Amortization Type	Fully Amortized
		Loan Type	Fixed Rate, Fixed Payment
Borrower Credit	639	DU/LP Decision	None
		Loan Program	None
		Total Debt Ratio	36.786%
		Buydown Percent	Other
		Origination Channel	Not Provided

2. To Select MI Product, click the radio button below the program, and click the Select button
   a. The MI Result modal will close
   b. Close the Services modal
      i. If already on the 1003 or Loan Info screens, the screen will refresh and update the MI Info Modal

- **MI Info Modal**

  o Click the **MI Info** icon and see the results of the MI Product chosen
    ▪ The user can add additional data to the screen as required by the lender
    ▪ Click on the MI Quote Identifier icon to again see the quote's details
    ▪ Hover over the MI Production Description icon to see the product's full name

- **MI Calculator**

  o Data will also auto-populate to the **MI Calculator**
    - a. The user *must* open the **Calculator** and **Save** so the Upfront and/or Monthly dollar amounts calculate
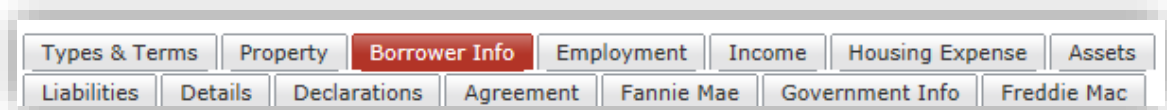
- **Loan Terms**

  o If the Loan Amount changes, the Upfront and/or Monthly dollar amounts will adjust based on the factors in the **MI Calculator**. However, if the Loan Amount change results in an LTV change, and/or if other Loan Terms change, the user should re-request the MI Rate Quote to ensure accurate information.

Borrower Information Tab

Most Fields on the **Borrower Information** tab correspond to the standard 1003 form; however, some are unique to **OpenClose** and will be mentioned here.

When a **Borrower** and **Co-Borrower** exist on the 1003 (a married couple) a **Swap & Save** button becomes available. This can be used to swap the position of the borrowers on the 1003.
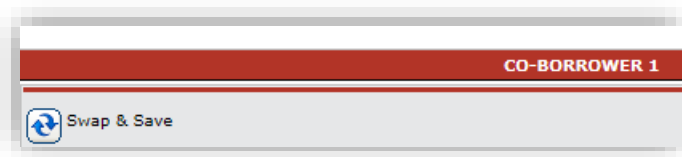
When a **Borrower** and **Co-Borrower** exist on the 1003 (a married couple) a **Delete This Borrower** check box becomes available.
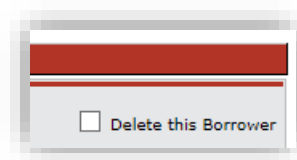
The **Borrower Info** tab contains two tabs of its own.

- **Details** tab allows the user to enter **Power of Attorney** information and First Time Homebuyer Counsel Type, in addition to other 1003 fields.

- **Identification** tab allows the user to enter AKA (Also Known As) or Alias types and a lender ID number such as the borrower's Credit Union member number, in addition to other 1003 fields.

Adding Additional Data Fields to the 1003 Screen

On the 1003 tabs, users have the option to add blank fields as needed. The ✚ **Add** icon is available throughout the system. As an example, users can add additional borrowers and income fields.
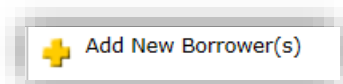
1. Click the ✚ **Add** icon.

2. Select the borrower the information pertains to from the dropdown menu where indicated.
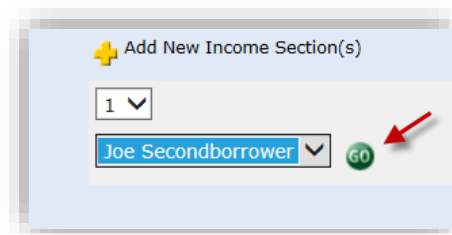
Adding Additional Borrowers to a Loan

Note: OpenClose can accommodate four applications for a total of eight borrowers on each loan.

1. On the **Edit 1003** screen, **Borrower Info** tab click Add New Borrower(s)
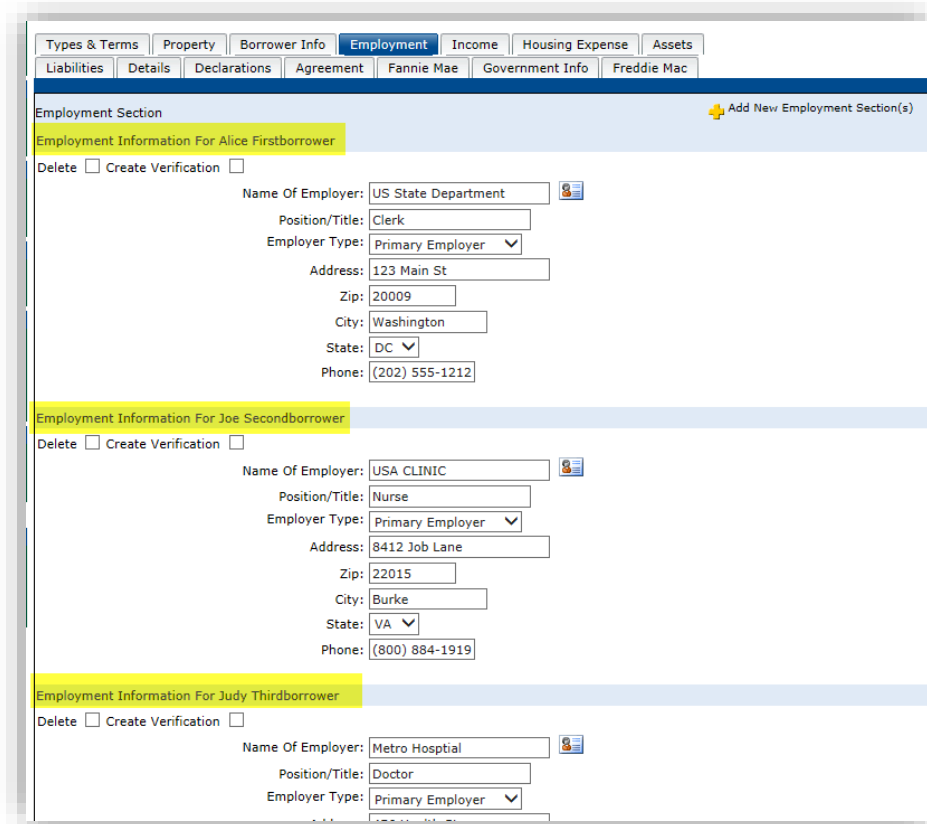
2. New fields will appear that can accommodate another borrower and co-borrower.

3. Enter the information for the new borrower(s).

5. Repeat the process to add up to 4 sets of borrowers.

6. The green checkmark indicates the applicant(s) information that is currently displayed on the **Borrower Info** tab.
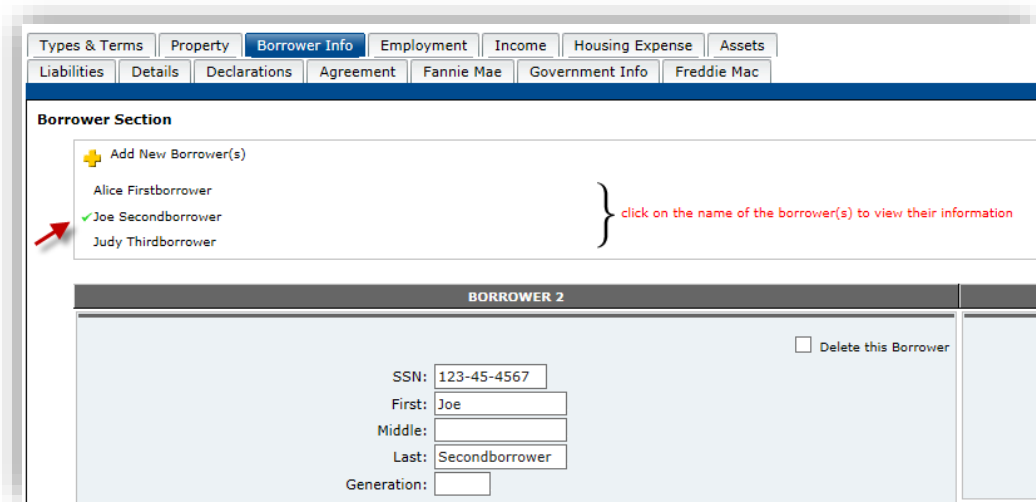
7. Click on a borrower's name to move the green checkmark and display that borrower's **Borrower Info** tab.

8. To add information for the additional borrowers use the 🟡Add icon. Select the borrower to add the field(s) for and click 🟢GO .
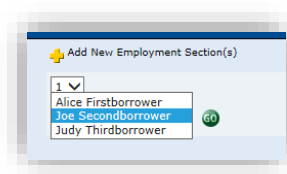
Note: Each of the remaining tabs of the **Edit 1003** screen will display all applicant's information. The user need only click on the borrower(s) names, on the **Borrower Info** tab, to select which applicant's information to view.

Creating Verifications

Users have the option to create verifications as data is entered throughout the system. Check **Create Verification,** and then click **Create Selected Verifications** to store them in the **e-Doc Manager**, **Processing** section.

Adding Subordinate Financing to a Loan

When a new origination is a primary lien, and it has or will have a subordinate lien behind it, the user *must* enter information about the second lien and indicate if the second is **Existing** or **New**.
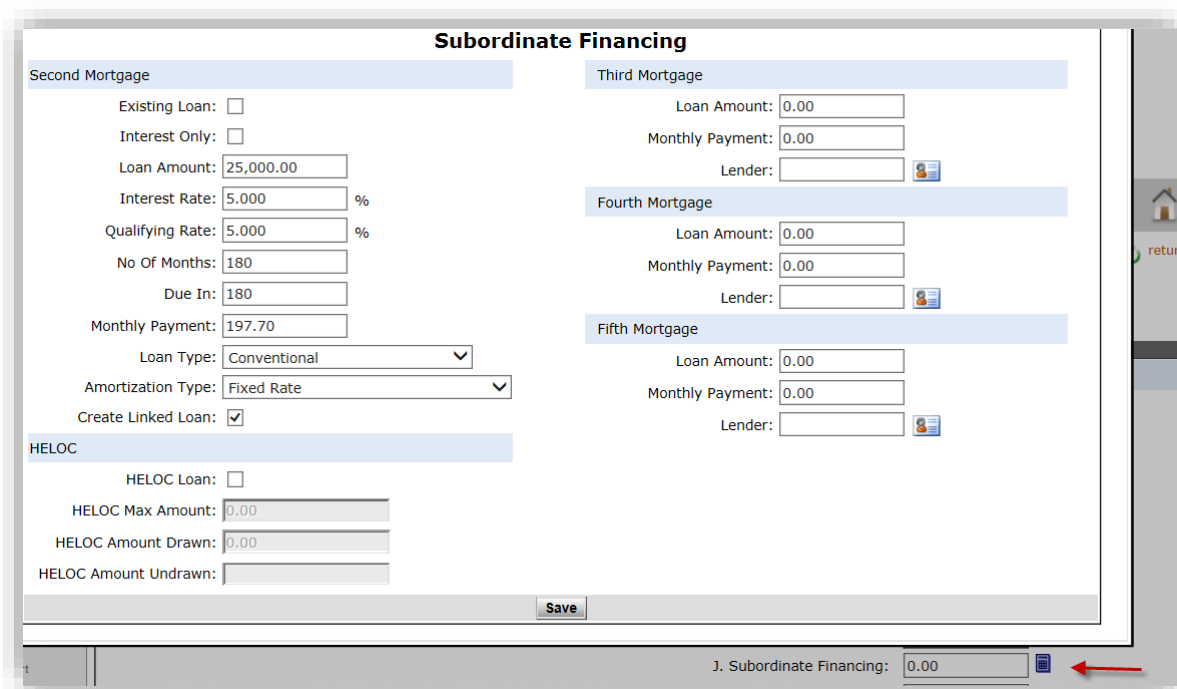
Note: If the user is originating a new first mortgage *and* a new second mortgage in the same transaction, a "piggyback", the two loans can be linked together. The **Originator** must do this step prior to submission to the **Lender**. This eliminates the need for the user to edit each loan individually.

Originating a Primary Lien with Subordinate Financing
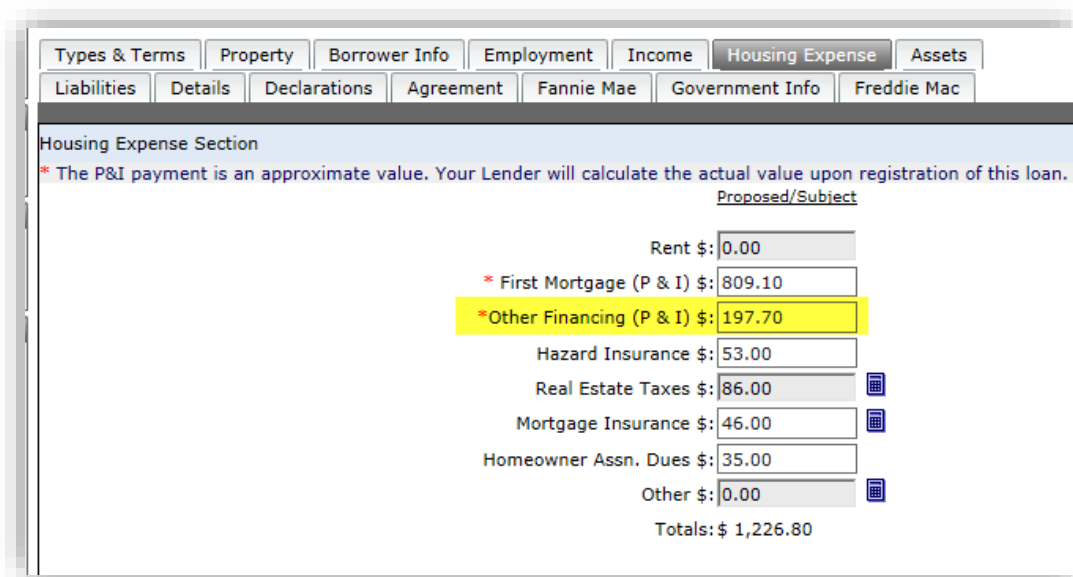
Be sure to indicate the **Loan Position** as **Primary Loan** on the **Types and Terms** tab of the **Edit 1003** screen.

To enter data regarding the second lien:

1. Click the **Details tab**.

2. Click the **Subordinate Financing Calculator** next to **line J**. Fill in the appropriate information.

3. Click **Create Linked Loan** *only* when originating the second mortgage along with the primary mortgage.

4. Click **Existing Loan,** *only* if there is currently a second lien that will be resubordinated. The corresponding debt *must* be marked as resubordinated on the **Liabilities** tab.

5. Complete the HELOC information if applicable.

6. The system will calculate the monthly payment for the second based on the information entered. The **P&I** for the second will populate on the **Proposed Housing Expense** tab.
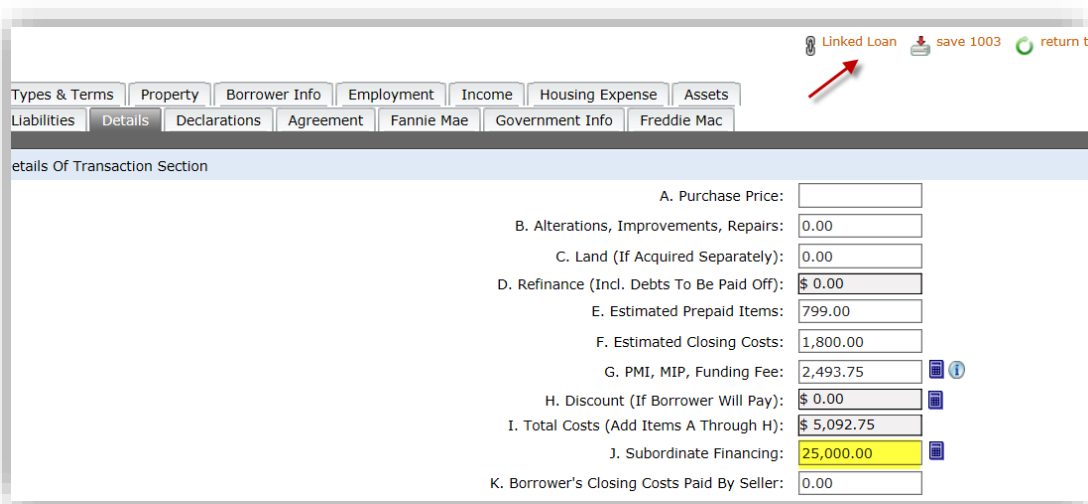
7. The system will populate the **Subordinate Financing** amount on the **Details** tab *only* if it is part of the cash to close calculation.

8. When the user creates a linked loan, a **Linked Loan** icon will appear on the **Edit 1003** screen **Details** tab. By clicking the icon, the user can toggle between loans.

9. When a linked loan has been created, a new Update Linked Loan: ☑ check box appears in the **Subordinate Financing** calculator modal. After making changes on the first mortgage the user *must* enter the subordinate financing calculator on the primary mortgage and save to update the linked second.

10. Documents saved in one loan will not move to the other. They must be uploaded and managed individually.

Government Tab

Important information about the loan will be entered on this screen for programs such as:

- VA (e.g. Federal Tax amount).
- FHA (e.g. Section of the Act).
- Community Lending Products

Other information will auto-populate from the loan product or system defaults.

Fannie Mae Tab

The **Fannie Mae** tab of the **Edit 1003** screen collects information that may be needed for a **DU** transaction.

- The **FNMA Case File ID** will populate the first time a **DU** response is returned.

Freddie Mac Tab

The **Freddie Mac** tab of the **Edit 1003** screen collects information that may be needed for an **LPA** transaction.

- The **LPA Key Identifier**, **LPA Transaction Identifier**, **Credit Report Identifier**, and **LPA Loan Identifier** fields will auto-populate the first time an **LPA** response is returned. The value of the **Building Status** field auto-defaults to **Existing**.
- The value of the **Property Type** field auto-defaults to **Detached**.
- The value of the **Planned Unit Development** field auto-defaults to **No**.

Additional Information Tab

Fields required for **Uniform Loan Delivery Dataset (ULDD)** are housed on the **Additional Information** tab.

Specialty Loan Products
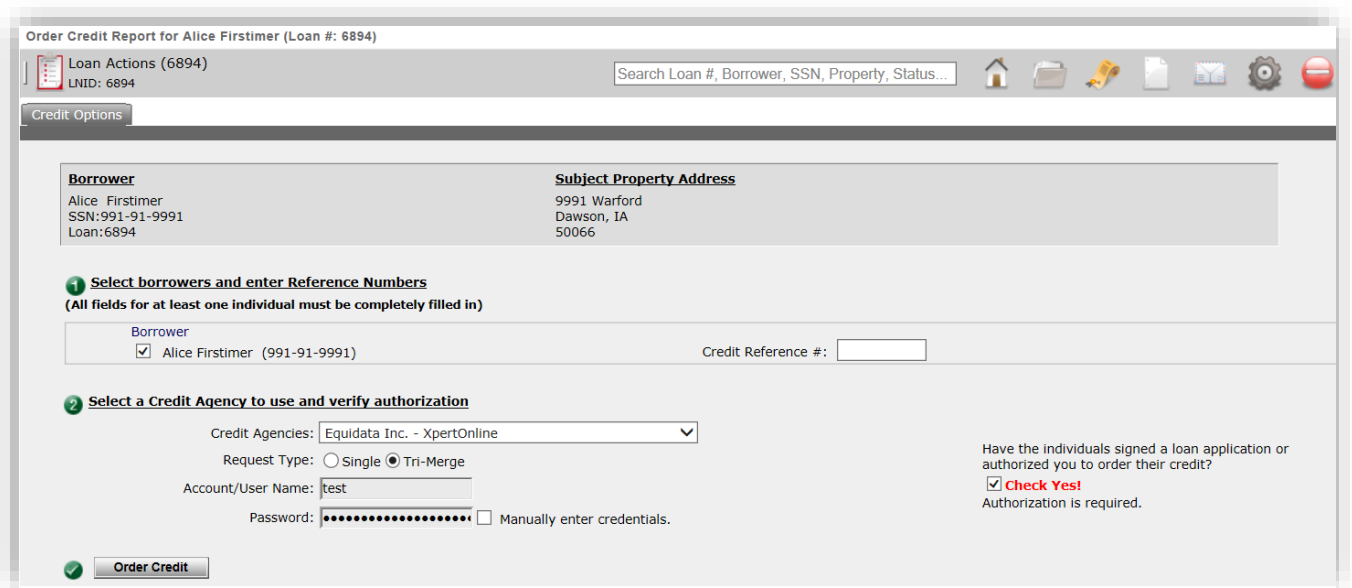
Please see the addendums at the end of this manual for detailed information regarding data entry for the following loan types:

- FHA
- FHA 203K
- VA
- FNMA - DU
- FHMLC – LPA (Loan Product Advisor) formerly known as LP (Loan Prospector)
- HELOC

- HELOAN

- Loans with Mortgage Credit Certificates

- Construction Loans

Ordering Credit

1. From the **Loan Actions** menu, select **Order Credit**

2. Check the borrower(s) names(s) or click **Joint** if applicable.

3. If the credit was pulled outside of **OpenClose**, enter the reference number from the report.

4. Select the **Credit Agency**. Username and password saved in defaults will populate the applicable fields.

5. Indicate that the borrower has authorized the credit pull by checking **Yes** on the right.

6. Click **Order Credit**.

7. After the request is processed, the user will see the **Loan Snapshot** screen.

8. The credit report will be returned to the **Findings** section of the **e-Doc Manager**.

Note: Credit reports returned to the system via an interface will be sent to the **Findings** section of the **e-Doc Manager**. It can take a minute for the report to arrive. If it is not available, click the ↻ **Refresh** icon.
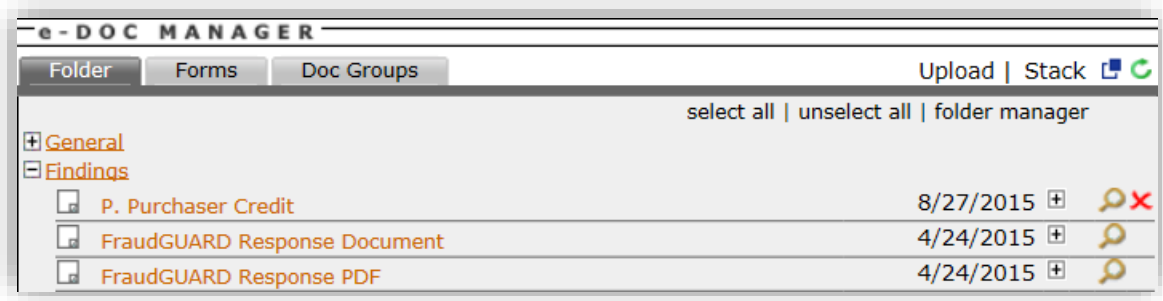
When the credit report is pulled via **OpenClose**, the credit scores populate to the **Loan Info, Price/Lock** and **Underwriting** screens. Once those screens are saved, the scores can only be changed manually.

Merge Liabilities

The **Merge Liabilities** feature auto-populates the debts from the credit report to the **Liabilities Tab** of the **1003** screen.

1. Click **Merge Liabilities** on the **Loan Action Menu.**
2. Check or uncheck **Ignore Zero Balance Liabilities** if applicable.
3. Select a screen from the dropdown menu as the **Destination After Merging**.
4. Click **Merge Liabilities.**

OMIT vs. Omit Monthly Payment on the Liability Tab

Liabilities checked **OMIT** will be bracketed on the **1003** and omitted from the total on the printed form. They will not be considered by **DU** or **LPA** in ratios.

The **Omit Monthly Payment** checkbox is used *only* to prevent doubling of the REO expenses listed on the **Liability** and **Asset** tabs. This checkbox will only affect the calculation of ratios in **OpenClose**; in other words, **DU**, **LPA**, and doc providers do not recognize **Omit Monthly Payment** .

- Choose **OMIT,** for the system to exclude a payment from automated underwriting and **OpenClose**. The debt will be bracketed on the **1003**. For example, an installment loan with less than 10 months remaining on the debt.

- **DU** reads expenses from the **Liability** tab for REO that is a current residence. However, **OpenClose** reads the liabilites listed on the **Assets** tab (REO section), as well as from the **Liability** tab. Therfore, the user must enter liabilities for the mortgage and for non-escrowed taxes and insurance on the **Liability** tab for **DU.** Use **Omit Monthly Payment**, so **OpenClose** will not count it twice.

Note: REO that is not a current residence or a rental property will be treated differently. See **DU** and **LPA** Job Aids in **Appendix A** for more information on **1003** data entry for automated underwriting.

- **Omit Monthly Payment** will *only* exclude a payment from the **OpenClose** calculations.

- **OpenClose** reads housing expenses from the REO section of the asset screen. Use **Omit Monthly Payment** on the **Liability** tab so **OpenClose** will not count the housing expenses twice.

Loan Info Screen

From the **Loan Actions** menu, select **Loan Info**.

The **Loan Info** screen contains basic loan info involving the borrower, property and loan type. It also houses important date and contact tracking, as well as custom fields set by the **System Administrator**.

Contacts Tab

Users should complete the **Contacts Tab** by using the **Contact Look Up Cards**, so TRID documents will be completed correctly.

Note: For more on **Contacts** see Chapter 14.

Tracking Tab

Important dates and other information is recorded on the **Tracking** tab and it is especially useful for reporting. Many of the fields are completed by the system when the user takes certain actions. As an example, the **Application Date** will be recorded on this screen. A **System Administrator** will set the criteria used to determine the **Application Date** in the **System Defaults**. Other items on the **Tracking** tab need to be completed by a user as designated by a manager.

Edit GFE 2010 Screen and Edit TIL Screen (if available)

HELOC loan types require a **GFE 2010** and **TIL**. When the user selects **HELOC** as the **Loan Type** on the **Edit 1003 Types and Terms** tab, the **Disclosure Basis** will automatically change to **2010**. This data is sent to the Doc Provider, so the **GFE** and **TIL** are returned in the disclosure package. Complete the fees on the **Edit Fees Worksheet** screen to provide the data needed to create the documents**.** The **Edit GFE 2010** and **Edit TIL** screens show the **OpenClose** version of the forms based on the data in the loan and certain defaults set by the **System Administrator**. The **System Administrator** can also enable a **Print GFE** and/or **Print TIL** icon if needed for **The Company** workflow.

Submit to Processor

When the **1003,** and other **Originator** required tasks, are completed, the user may be instructed to **Submit to Processor**. (Not all companies utilize this feature. Users should consult a manager).

1. Click **Submit to Processor** on the **Loan Action Menu**.

2. Choose a **Processor** or **Queue** from the drop-down box. If no processors appear in the list, an **Originator User Level 1** or an **Administrator** must assign a **Processor**(s) to the **Originator**.

3. Enter necessary comments in the **Comments** box.

4. Click the **Send Loan** button when complete.

OpenClose will automatically:

- Send the selected **Processor** an **Internal Message**.

- Put the loan in the **Processor's** pipeline or in the selected **Queue**.

- Change the loan status to **Processing**.

Note: Once the **Originator** has submitted a file to a **Processor**, s/he may be limited as to additional actions s/he can take on that loan.

Submitting a Loan to the Lender

When ready, the **Originator** or **Processor** will submit the file to the **Lender** for underwriting.

1. Click **Submit to Lender** on the **Loan Action Menu**.

Note: Submit to Lender may be named differently as determined by the **System Administrator.**

2. Enter any comments needed in the **Comments** box.

3. Click the **Send Loan** button.

Upon Submission **OpenClose** will automatically:

- Store a copy of **The Lender Loan Request** Document in the **e-Doc Manager.**

- Send an email to the appropriate lender employee(s) or members of the **Submission Queue**.

- Send an **Internal Message** to the appropriate recipient or members of the **Submission Queue**.

- Change the **Loan Status** to **UW-Submitted**.

- Check the **Sent to Lender** on the **Loan Snapshot Action** section.

- In the **Pipeline Summary,** the **UWD** icon for the loan is changed to **Loan Submitted** .

   o Click the UWD icon to open **The Lender Loan Request** Document.

- Make the contents of the loan's **e-Doc Manager** available to the **Lender** users.

     o   Submitting the loan to **Lender** sends the entire file to the **Lender** and typically limits the **Originator's** ability to make changes to the 1003.
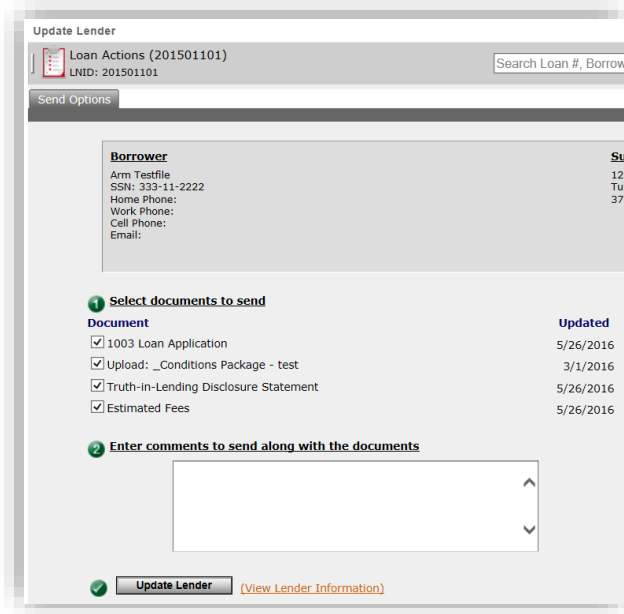
Loan Validation

When the user clicks **Submit to Lender**, the system runs a scrub of the data to identify missing information before sending the file to the **Lender**. Users should complete missing fields. This step ensures that a complete and accurate file is sent to the **Lender**.

Update Lender

Originator users will need to update **The Lender's** copy of the loan when additional documents are uploaded. On the **Loan Action Menu** select **Update Lender** and select the documents to send. Each **Lender** user who has the loan in his/her pipeline or queue will be notified that an **Update Lender** has been performed.

Note: Since the **Lender** and the **Originator** have distinct, separate copies of the loan, the **Originator** must update the documents in the **Lender's** copy with the **Update Lender Loan Action**. If an **Originator** user adds a document in the **e-Doc Manager** and does *not* click **Update Lender** the **Lender** will *not* see the document.

Lender Loan Response

When an Underwriter has reviewed the loan and a **Loan Response** has been issued, a **Lender Loan Response Document** will be created and stored in the **Findings** section of the **e-Doc Manager**. The user can open it and view it there.

- Once the response is issued, an **Internal Message** will be created in the loan. See **Chapter 3** for details on the **Message Center**.

- An **Administrator** has the option to set a default so an email will be sent to all the email addresses in the **Originator's** user settings and the **Account Executive** when the **Response** is issued.

- The **UWD** icon in the **Originator's Pipeline Summary** will update based on the decision. The user can place his/her cursor over the icon to see its meaning. For more on **Pipeline Summary** icons see **Chapter 2**. The user can open **The Lender Loan Response Document** from the **Pipeline** by clicking on the icon, or in the **e-Doc Manager**, **Findings** section.

Taking Action on a Lender Loan Response

Typically an **Originator** user will need to respond to a **Lender Loan Response** by providing additional information, "conditions".

There are several ways this can be accomplished.

- The user can upload the documents into the **e-Doc Manager** then **Update Lender** to push the documents to **The Lender's** copy of the file.

- Use the **Attach to Condition** icon is on the **Upload** screen. Select the condition to attach the document(s) to from the dropdown menu. When all the documents have been added, select **Update Lender** to push all attachments to **The Lender's** copy of the file at one time.

- A system-generated email will be sent to any **Lender** user who has the loan in his/her pipeline or queue each time an **Update Lender** is performed.

REMINDER: If you have already submitted your loan, be sure to perform the loan action Update Lender, after uploading your documents

s9
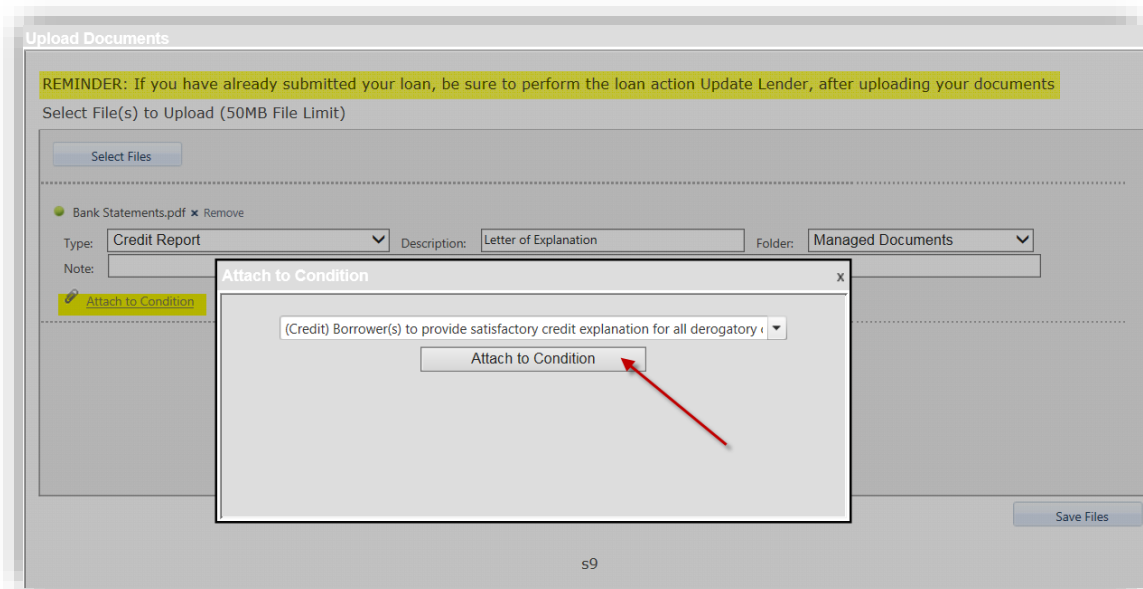
- The user can also attach a document to a condition directly on **The Lender Loan Response** document. Using this method each attachment will send an individual email to the **Lender** user(s). Thus, **Update Lender** is *not* required. The email is sent to any **Lender** user who has the loan in his/her pipeline or queue.
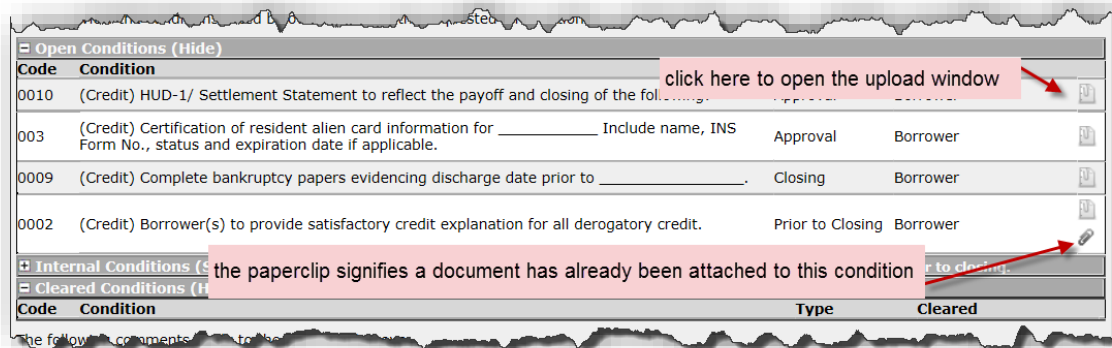
- Typically, **Lender** Users prefer to get all conditions at once with *only* one email notification. Therefore, the suggested workflow is to upload conditions using the **Upload** screen. Attach the document(s) to individual conditions as uploaded, but refrain from using the **Update Lender** function until all the needed documents are attached.

7
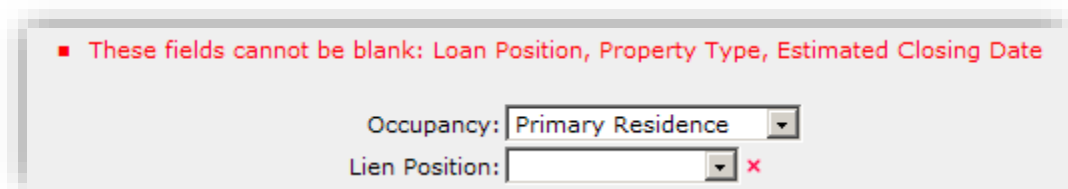
Pricing, Registering, & Locking Loans

Overview

This chapter provides information on the following screens: **Price/Lock, Lock Form**, and **Quick Pricer.**

Price/Lock (if available)

1. From the **Loan Action** menu, select **Price/Lock.** The user will be directed to the **Product/Rate Request** screen.

   - **Price/Lock** is the automated pricing and product eligibility engine (**Decision Assist**). It can be used to either **Register/Float** or **Register/Lock** a loan.

   - If the **Lender** requires that loans be registered before **Submit to Lender**, the user will use the **Price/Lock** screen to register the loan prior to submission.

   - Previously saved details on the loan, such as data on the **1003**, will populate the **Price/Lock** screen. Changes made on this screen will populate back to the **1003**.

   - The **System Administrator** will determine what fields are required when pricing, registering or locking a loan. Required fields are indicated with a red asterisk.

   - Missing required data will be indicated in red, as shown below:

2. Edit details as necessary to search for product eligibility and pricing.

Note: Underwriting Type defaults to "None" to allow the user to search for all eligible products. However, the **Underwriting Type** must be selected from the dropdown menu to register or lock the loan.
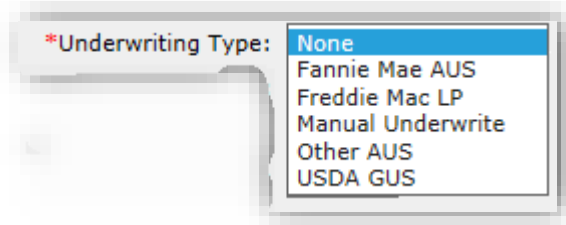
- **Compensation Type**:
    - o The **Lender** will direct the user whether to use **Lender Paid Compensation** or **Borrower Paid Compensation.**
    - o If the **Administrator** has set the system so price results populate the **Fees Worksheet**, the following will apply:
        - ▪ **Lender Paid Compensation** will populate as **Paid to Originator by Lender**.
        - ▪ **Discount** will populate as **Paid to Lender by Borrower**.
        - ▪ **Pricing Credits** will populate as **Paid to Borrower by Lender**.
    - o If the **Administrator** has not set the system so price results populate the **Fees Worksheet,** then any compensation, discount, or credit must be manually entered on the **Edit Fees Worksheet** screen.
    - o **Lender Paid Compensation** to the **Originator** is noted on the **Edit Fees Worksheet** by checking **LPC** on the screen.

Note: For more on **Fees Worksheet** see Chapter 8.

- **Search Parameters** have been pre-set by the **System Administrator**. The user may change these ranges to either narrow or broaden the results returned:
  - o **Desired Rate**
  - o **Desired Price**
  - o **Desired Lock Period**
- **Results**:
  - o Users can choose to sort results in one of the following ways:
    - ▪ **Best Price** - results closest to the Best Price (highest price) within the user's desired Price range will display
    - ▪ **Best Rate** - results closest to the Best Rate (lowest rate) within the user's desired Rate range will display
    - ▪ **Best Execution** – the program with the best price per interest rate will display

3. Select **Search Programs**

- The search results will display **Eligible Products** and **Ineligible Products**. The pricing or rate order will depend on the **Result** dropdown menu selection on the previous screen.
- In some cases, the search results display the **Investor**. In this example, the **Administrator** chose not to display the investor name. User's results may look different.

Eligible Products				[View Ineligible Products]		
LOAN PRODUCT		RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP
✔ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.250 $1,234.33	0.517000 $1,466.32	30	0.000	1.500 / 4,254
✔ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.375 $1,253.87	-0.082000 $-232.57	30	0.000	1.500 / 4,254
✔ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.500 $1,273.58	-0.772000 $-2,189.55	30	0.000	1.500 / 4,254
✔ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.625 $1,293.45	-1.438000 $-4,078.46	30	0.000	1.500 / 4,254
✔ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.750 $1,313.49	-1.971000 $-5,590.15	30	0.000	1.500 / 4,254

- **Ineligible Products** will show reasons the product is ineligible:

Ineligible Products [View Eligible Products]

LOAN PROGRAM	INELIGIBLE CONDITIONS
✗ Flagstar - Conf High Balance 30 Fixed, FNMA	Conforming Loan amounts aren't eligible for FNMA High Balance /FHLMC Super Conforming (74279033) …
✗ Citibank, N.A. - Conf 30 Fixed	FNMA's MI% of coverage relative to LTV and Term is incorrect. (74415078) …
✗ Citibank, N.A. - Agency Jumbo 30 Fixed	Conforming Loan Amounts are not eligible for Agency Jumbo products. (74332354) …
✗ Flagstar - Conf High Balance 30 Fixed, FNMA MyCommunity	Conforming loan amounts are not eligible under the MCM High Balance product. (74284506) …
✗ U.S. Bank Home Mortgage - Buster 30yr LPMI 90-95 (3686)	Minimum LTV 90.01% for this product. (74290685) …
✗ U.S. Bank Home Mortgage - Buster 30yr LPMI 85-90 (3685)	Minimum LTV 85.01% for this product. (74290683) …

4. Once the user chooses an eligible Product, a complete pricing grid will display. The Results display both the P&I and the credit or discount dollar amount.

Eligible Products [View Ineligible Products]

LOAN PRODUCT		RATE	PRICE	LOCK PERIOD	MARGIN	EST LENDER PD COMP
✓ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.250 $1,234.33	0.517000 $1,466.32	30	0.000	1.500 / 4,254
✓ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.375 $1,253.87	-0.082000 $-232.57	30	0.000	1.500 / 4,254
✓ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.500 $1,273.58	-0.772000 $-2,189.55	30	0.000	1.500 / 4,254
✓ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.625 $1,293.45	-1.438000 $-4,078.46	30	0.000	1.500 / 4,254
✓ 30 Year Fixed - Conf	Rate Date: 7/18/2016 10:15:18 AM ET	3.750 $1,313.49	-1.971000 $-5,590.15	30	0.000	1.500 / 4,254

5. Click on the **Eligible Product** to open a more detailed grid. It will display eligible **Rates**, **P&I**, **Margin** (if applicable), prices based on lock terms, and amount of credit or discount. The lock terms may vary depending on what has been set up by the **Administrator**.

RATE	MARGIN	15		30		45		60	
3.250	$1,234.33	0.000	0.392000	$1,111.79	0.517000	$1,466.32	0.667000	$1,891.75	0.767000	$2,175.37
3.375	$1,253.87	0.000	-0.207000	$-587.09	-0.082000	$-232.57	0.068000	$192.86	0.168000	$476.48
3.500	$1,273.58	0.000	-0.897000	$-2,544.07	-0.772000	$-2,189.55	-0.622000	$-1,764.12	-0.522000	$-1,480.50
3.625	$1,293.45	0.000	-1.563000	$-4,432.98	-1.438000	$-4,078.46	-1.288000	$-3,653.03	-1.188000	$-3,369.41
3.750	$1,313.49	0.000	-2.096000	$-5,944.68	-1.971000	$-5,590.15	-1.821000	$-5,164.72	-1.721000	$-4,881.10
3.875	$1,333.69	0.000	-2.492000	$-7,067.81	-2.367000	$-6,713.29	-2.217000	$-6,287.86	-2.117000	$-6,004.24
4.000	$1,354.05	0.000	-2.590000	$-7,345.76	-2.465000	$-6,991.23	-2.315000	$-6,565.80	-2.215000	$-6,282.18
4.125	$1,374.56	0.000	-2.943000	$-8,346.94	-2.818000	$-7,992.41	-2.668000	$-7,566.98	-2.568000	$-7,283.36
4.250	$1,395.24	0.000	-3.234000	$-9,172.27	-3.109000	$-8,817.75	-2.959000	$-8,392.32	-2.859000	$-8,108.70
4.375	$1,416.07	0.000	-3.330000	$-9,444.55	-3.205000	$-9,090.02	-3.055000	$-8,664.59	-2.955000	$-8,380.97

• The user can print the pricing grid, if needed, by clicking **Print Preview** 🖶 print preview on the top right corner.
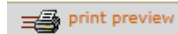
- The product details will display **Product Guidelines**, which are informational notes about the product and not underwriting guidelines. **Adjustments**, including **Loan Level Price Adjustments** (LLPA), will also display. This gives the user information as to how the net price is calculated. All prices displayed in the grid are net prices, after all adjustments have been applied.
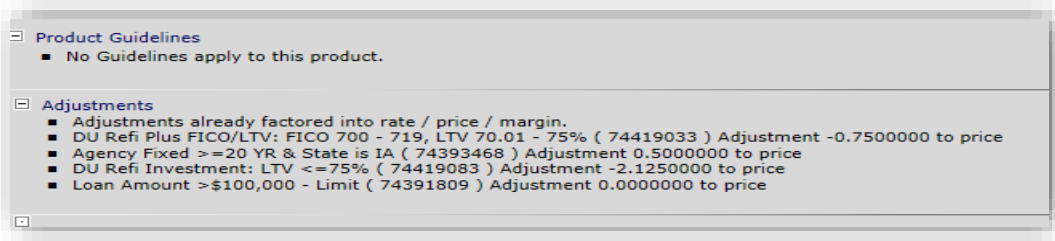
6. To **Register/Float** or **Register/Lock** the loan, select a Price on the grid and the Details tab will appear. The user can select **Search Again**, **Register/Float** or **Register/Lock** at the bottom of the screen. If the user is not ready to float or lock the loan, s/he can **Save**, **Search Programs** again, or **Cancel** and to go to a different screen.

- On the **Lock Form** screen, there are three tabs.
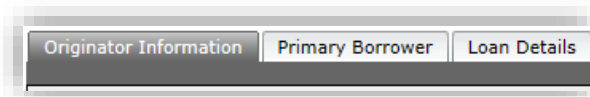
o The first tab includes **Originator Information** and a **Comments** box to send information to the **Lock Desk**.
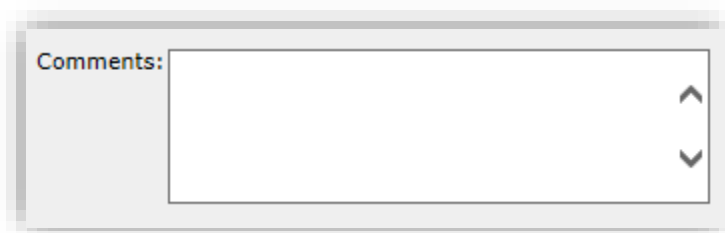
o The second tab is **Primary Borrower** information, and the third tab is the **Loan Details**. At the bottom of the screen, choose **Search Again**, **Register/Float,** or **Register/Lock**. **Register/Float** may not be available if the **Lender** does not require loans to be **Floated**.
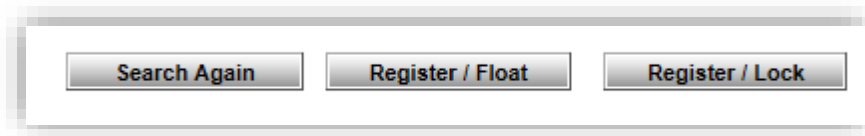
- After selecting the appropriate option, the screen will validate that all required information is complete. If there is missing information, the user will see a message stating that information is missing. A *****red asterisk indicates a field that must be completed.

- When selecting **Register/Float** or **Register/Lock**, the screen will automatically save and give the user the option of going to the **Pipeline Summary** or to the **Loan Snapshot**.

- The **Loan Status** will change to **Float Requested** or **Lock Requested.** Some Lenders have set the system to approve a lock or float automatically. In that case, the status will change to **Float Approved** or **Lock Approved.**

Note: If the loan has *not* been submitted to the **Lender** previously, submitting a registration or lock request will create the **Lender** loan. The **Lender** and the **Originator** have distinct, separate copies of the loan. If the **Lender** copy of the loan already exists, the registration or lock request will update it.
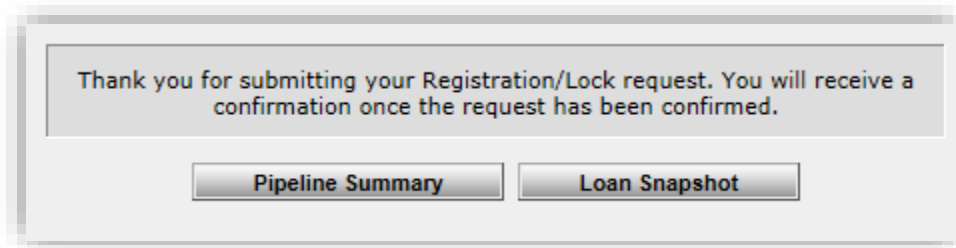
- If too much time has passed between searching programs and locking, the user will get this message, and will need to search programs again:
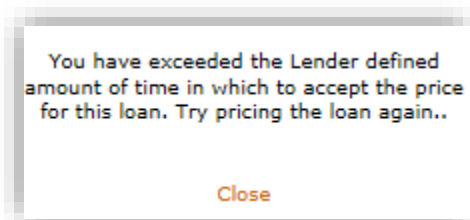
- The user can see a record of the registration request in **e-Doc Manager** under **Findings**, **Registration/Lock Request**. It will be labeled as such

even if the user's request was a **Register/Float**. Here the user can view his/her request by clicking on the **Magnifying Glass**.

Registration/Lock Request	2:04:13 PM ET ⊞ 🔍
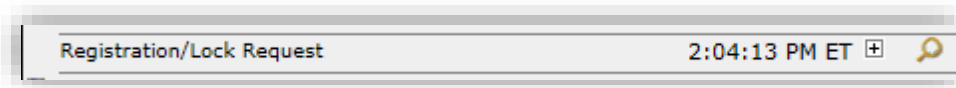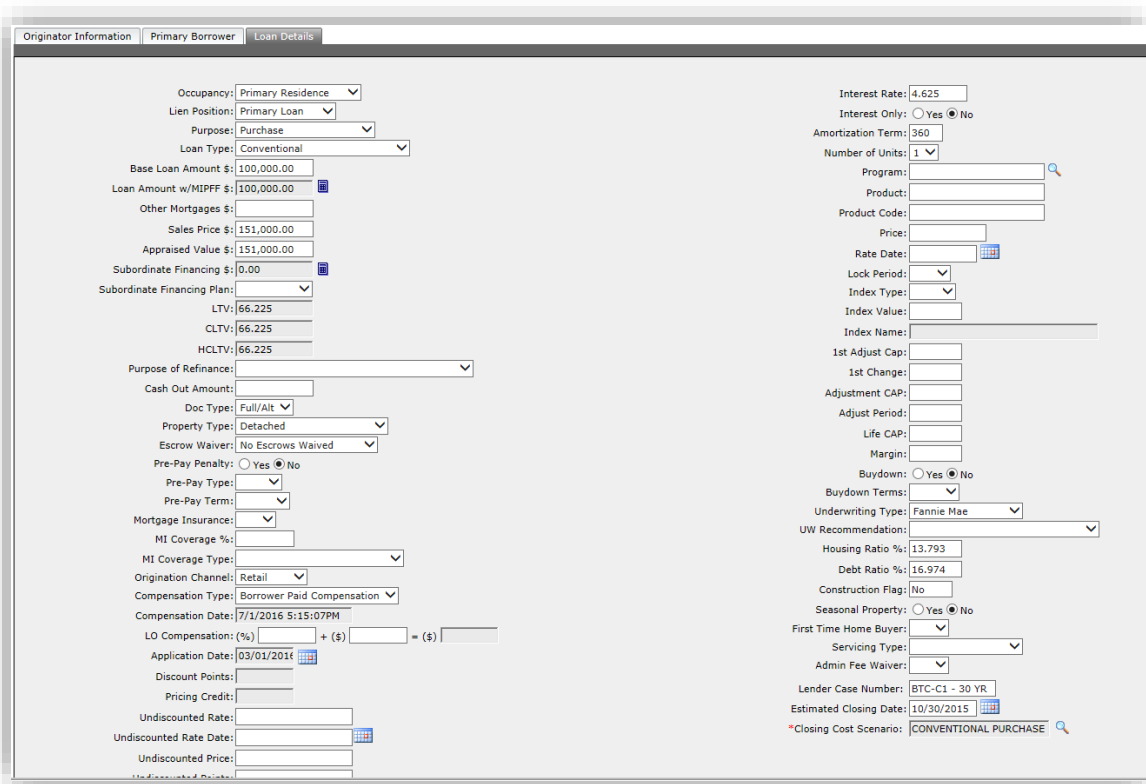
Lock Form Screen (if available)

1. From the **Loan Actions** menu, select **Lock Form**

Note: This screen should be used when manually requesting to **Register/Float** or **Register/Lock**. Its purpose is not to price a loan. For information on pricing a loan using the automated pricing engine, see information regarding the **Price/Lock screen**.

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2. The user should complete the necessary fields on each tab.

3. Once the user selects **Register/Float** or **Register/Lock** on the bottom of the screen, the request will be sent to the **Lock Desk** generating a **Standard Lock Form** document. This document can be viewed in the **e-Doc Manager,** serving as a record of the data submitted to the registration or **Lock Desk**.

Lock Confirmation

- When float or lock request is confirmed a **Registration/Lock Confirmation** can be viewed in the e-Doc Manager.
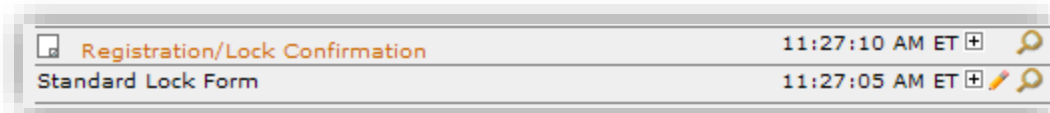
- In addition to the **Registration/Lock Confirmation document** in **e-Doc Manager**, the **Originator** user will receive an email and an internal message.

Email:

Please view the Lock Response document for loan # 10099
Borrower: Alice Firstimer
Lock Status: Float Accepted As Is

Internal Message:
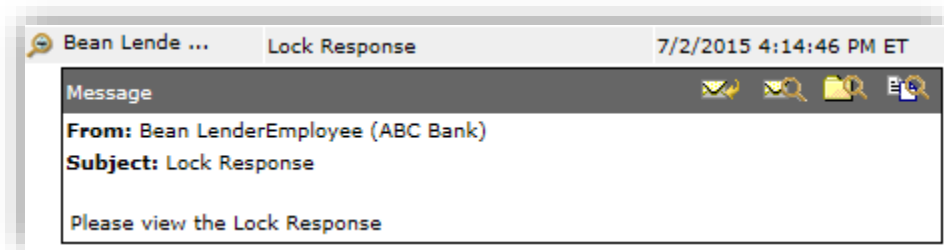
Quick Pricer

Quick Pricer can be used to search for an **Eligible Product** prior to creating a loan file.

1. Click the **Quick Pricer** link on the **Left Navigation** menu under **Origination Tools**.

2. Complete the **Loan Info** tab of the **Product/Rate Request** screen with the loan attributes. Click **Search Programs**, the **Lookup Results** tab will open and populate with **Eligible Products** and **Ineligible Products.**

3. Click on an **Eligible Product** type to expand the **Rate and Pricing Grid**.

4. The user can either **Create Loan** or change the loan attributes to search for other products.

5. If **Create Loan** is selected the user will be directed to the **Product/Rate Request** screen.

Note: Once **Create Loan** has been selected a loan number is assigned, and the loan status is **Received**.
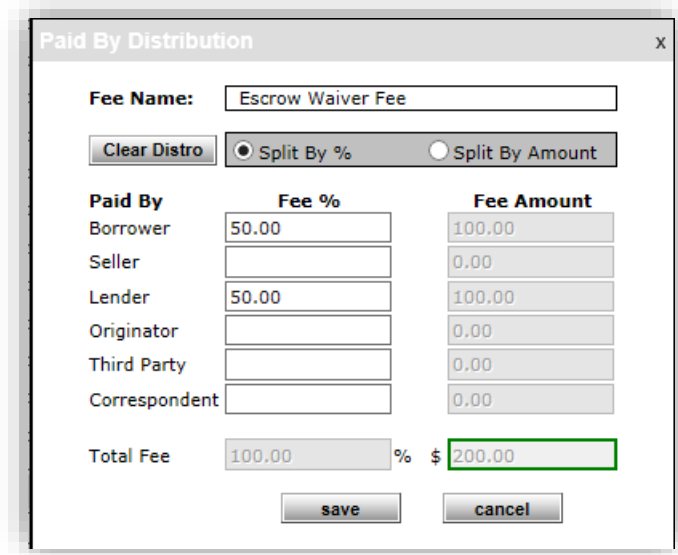
6. The user can register (float), lock the loan, or go to another screen and return to **Price/Lock** at a later time.

8

Fees

Edit Fees Worksheet

Enter fees and prepaids on the **Edit Fees Worksheet** screen to create the **Loan Estimate (LE) or GFE 2010**. Later in the process, these fees will be applied to the **Closing Disclosure (CD).**

- Click **Edit Fees Worksheet** on the **Loan Action Menu.**

- Enter data in the top section that has not been entered elsewhere in the loan.

    o A **First Payment Date** and an **Estimated Closing Date** *must* be entered on the upper right to properly calculate pre-paid interest.

    o If a **Closing Cost Scenario** has not been applied to the loan previously, it *must* be entered on this screen. **Closing Cost Scenario**s have been set up by the **System Administrator** and will populate preset fees on the screen, minimizing errors and saving the user time entering data.

    o **Credit** or **Discount** *may* be set to populate from the pricing engine by the **System Administrator**. If this has not been set to auto populate the user *must* enter any **Credit** or **Discount** manually.

- Users should review the worksheet and edit or add additional fees.

    o Fees will populate from the **Closing Cost Scenario** if set by the **System Administrator.**

    o Click on the dropdown list to select additional fees from the system.

    o Available fees have been created by the **System Administrator**. If a fee is needed but not available, contact the **System Administrator** to have it added.

- Users should complete **Paid to**, **Provider**, **Category** and **Paid By** fields, if not populated by applying the closing cost scenario.

- Some fees will have a **Paid By Distribution** calculator as determined by the **System Administrator**. When opened, the **Paid By Distribution** calculator allows the user to indicate the payees for a fee that is "split".
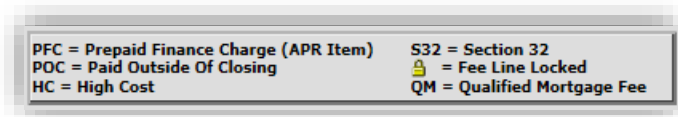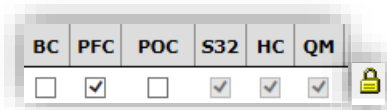
- Certain fee attributes, such as **Prepaid Finance Charge** and **QM** fee, have been applied. In some cases, these items have been "locked" and cannot be edited by the user.

PFC = Prepaid Finance Charge (APR Item)   S32 = Section 32
POC = Paid Outside Of Closing   🔒 = Fee Line Locked
HC = High Cost   QM = Qualified Mortgage Fee

BC	PFC	POC	S32	HC	QM
☐	☑	☐	☑	☑	☑

- o **BC** is used to indicate that the borrower will choose the provider.
- o A fee may be locked by the **System Administrator** and therefore cannot be edited by the user.

Fee Services

- **Fee Services** allows users to request and obtain a price quote for a variety of title and government related third party fees in seconds.
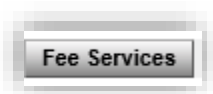
Currently, **OpenClose** interfaces with TIMIOS, a National Escrow and Title Company. Other providers may be added in future releases.

To use Fee Services:

1. Click **Fee Services** to the right of the property address.

2. Complete the Parameters box.
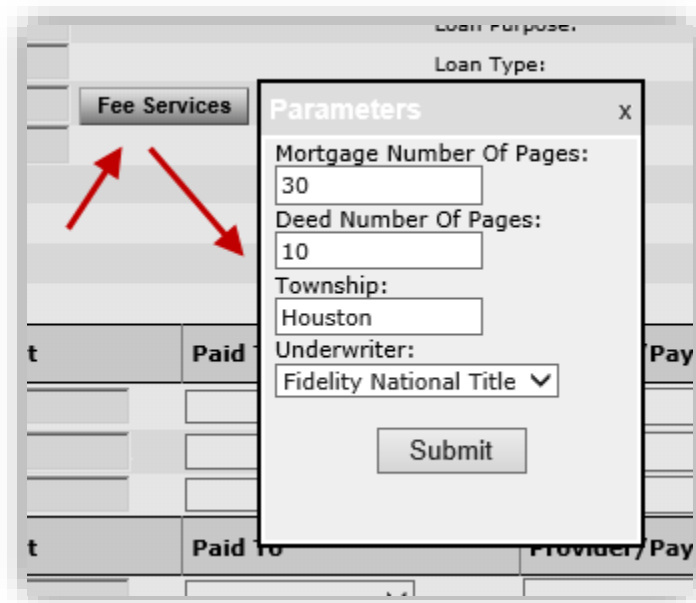
    a. Mortgage Number of Pages: (will default to 30) If the buyer will not pay the recording fee for the mortgage change the number of pages to 0.

    b. Deed Number of Pages: (will default to 10) If the buyer will not pay the recording fee for the deed change the number of pages to 0.

    c. Township: (optional)

    d. Underwriter: This is the Title Insurance Underwriter. Choose from the available choices in the dropdown list.

3. Once fees have been returned, the user will see a magnifying glass next to the **Fee Services** box. Click on it to view the response from the provider.
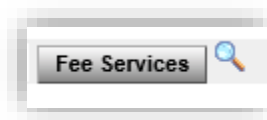
4. The requested data will be hidden but the user can click the plus sign to expose it.

Fee Quote from Timios Inc.   Quote ID: 20170725238085033409

	Hide Request			7/25/2017 11:50:34 AM

Request Data

Requested Date:	7/25/2017 11:50:34 AM	Transaction Type:	Purchase
Address:	640 Voelker Ave	Loan Amount:	275,000.00
City:	Millburn	Purchase Amount:	375,000.00
State:	NJ	Prior Loan Amount:	0.00
Zip:	07041	Prior Policy Date:	
County:	Essex	Underwriter:	First American
Township:		Property Type:	SingleFamily
Occupancy Type:	Primary	Refinance Type:	
Mortgage Number Of Pages	30	Deed Number Of Pages	10

Response Data

Timios Fee	OC Fee	Value
CountyTransferTax	City/County Tax/Stamps	0.00
TotalGovtRecordCharge	Recording Fees	476.00
StateTransferTax	State Tax/Stamps	0.00
TaxCertificationFee	Tax Certification Fee	0.00
CPLFee	Title - Closing Protection Letter	75.00
SettlementCharge	Title - Closing/Escrow Fee	450.00
SigningFee	Title - Notary Fees	0.00
OwnersTitleIns	Title - Owners Title Insurance	450.00
AdjustedLenderPremium	Title - Title Insurance	0.00
Credit	Title - Title Insurance	0.00
LendersPremiumAmount	Title - Title Insurance	1,268.75
PolicyFee	Title - Title Insurance	0.00
PremiumTax	Title - Title Insurance	0.00
SalesTax	Title - Title Insurance	0.00
CemaFee	Unlinked	0.00
EndorsementTotal	Unlinked	50.00
TaxSearchFee	Unlinked	0.00
TitleServicesTotal	Unlinked	1,843.75
TotalTransferTax	Unlinked	0.00

5. Fees returned by TIMIOS will populate to Fees Worksheet with the Payee/Service Provider as TIMIOS.

6. If the terms of the loan change in such a way that may impact the amount of the fees, the user should click on **Fee Services** again so the updated fees populate to Fees Worksheet. The user *must* save the screen after the updated fees populate.

Escrows

- The user *must* indicate **Escrowed** items on the **Fees Worksheet** screen prior to creating the **Loan Estimate** or **GFE 2010**.

- **Escrow Distribution Calculators** calculate the number of months to collect at closing. Click on the **Calculator**; enter the **Amount Due** and the **Month of Disbursement**. The system will calculate the number of months to collect at closing.

- The bottom portion of the screen displays the totals used to calculate **Cash to Close.** The user can enter **Other Credits** here or on the **Details** tab of the **Edit 1003 screen.** The **Total Estimated Monthly Payment** is displayed on the bottom right.

- Users may click the **Print Preview** button to review a **Fees Information** form.

Edit Loan Estimate

This screen displays the top portion of the **Loan Estimate** for user review. There are two editable items, **Assumption** and **Servicing**. In most cases, they will populate from the loan product. Other data on the screen populates from data entered elsewhere in the system.

Fee Sheet

This feature is used to communicate fees and other information to the closing department.

1. Select **Merge Fees** to populate the screen with the last disclosed fees.
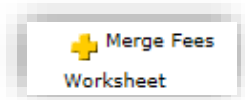
2. Select **Add Fee** to add any new fees.
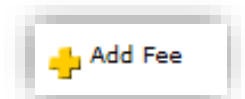
Note: Adding fees may require additional disclosures prior to closing. Tolerance limits may apply to fees added. Check with management for more information.

3. Add notes for the closing department.

4. Add a Settlement Agent Contact.

5. Hit **Submit** to send the loan to the designated Queue.

9

Disclosing the Loan

Overview

This chapter provides information on **Creating Loan Disclosures** via a **Document Provider**

The **System Administrator** has enabled the **Doc Provider**(s) used by **The Company**.

> **Note:** If the option **Submit to Doc Provider** is not available on the **Loan Action Menu** preparing disclosures is *not* the responsibility of the **Originator User.**

The Doc Provider username and password should be stored in **The Company** defaults or in the individual user's settings so they populate the screen.

Package Types

The **System Administrator** has set the **Package Types** used by the **Company**. A manager should direct the user to the proper selection for each scenario.

Descriptions

- **Review**

    o Select **Initial Disclosures – Review** or **Re-Disclosures – Review.**

    o A PDF package will be returned from the provider to the **e-Doc Manager, Findings** section. It is an "unofficial version" and is only for the user's review. It will not populate the date on the **Tracking** tab, **Loan Info Screen**, and it should not be provided to the borrower.

    o Once the user is ready to "officially" disclose, select one of the categories below, and a date will be recorded on the **Tracking** tab**, Loan Info Screen**. This is *required* for compliance purposes and reporting.

- **Self Disclosed**

  - Select **Initial Disclosures – Self Disclosed** or **Re-Disclosures – Self Disclosed**

  - A PDF package will be returned from the provider to the **e-Doc Manager, Findings section**. It is intended for the user to print and present to the borrower(s) in person, by mail, by fax or by using the **OpenClose** feature **Publish**. For more information on **Publish,** see **Chapter 4 e-Doc Manager**.

- **eDisclosure**

  - Select **Initial Disclosures with eDisclosure** or **Re-Disclosures with eDisclosure**

  - A PDF package will be **emailed to the borrower** by the provider, and the unsigned package will be returned from the provider to the **e-Doc Manager, Findings section**.
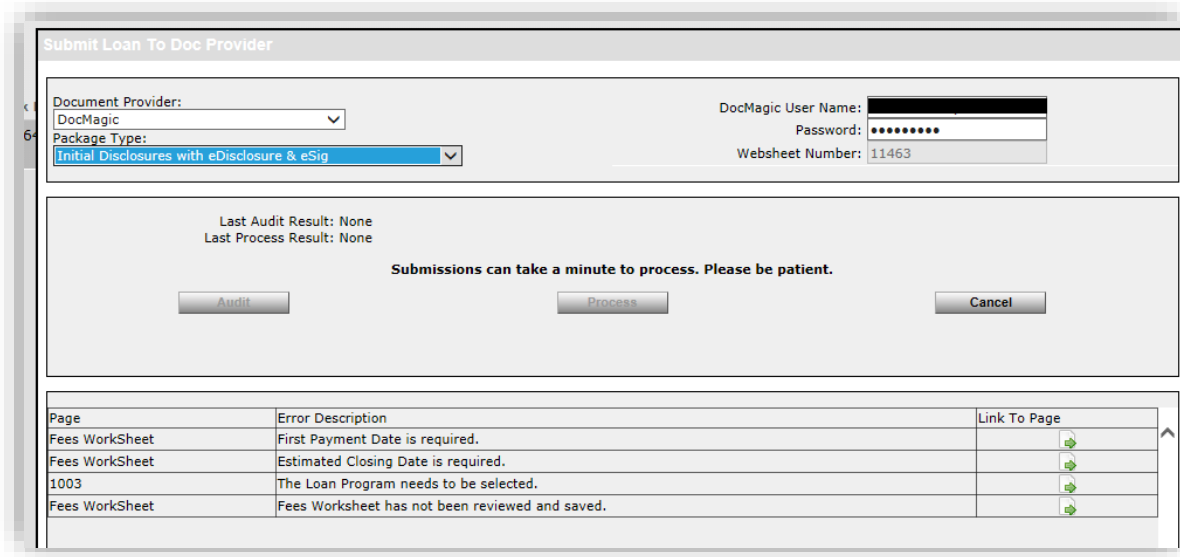
- **eDisclosure & eSign**

  - Select **Initial Disclosures with eDisclosure & eSign** or **Re-Disclosures with eDisclosure & eSign**

  - A PDF package will be **emailed to the borrower** by the provider, and the unsigned package will be returned from the provider to the **e-Doc Manager, Findings section**. The borrower will have the option to eSign the documents and return them to provider electronically. Then the **Originator** or other user can **Retrieve eSigned Documents** by selecting that option under Package Type.

- **eDisclosure or Mail**

  - Select **Initial Disclosures with eDisclosure or Mail** or **Re-Disclosures with eDisclosure or Mail**

  - A PDF package will be **emailed to the borrower** by the provider, and the unsigned package will be returned from the provider to the **e-Doc Manager, Findings section**. If the borrower declines the electronic version, or does not access the email notification in a timely manner, the printed package will be mailed by the provider to the borrower.

- **Print and Deliver**

  - Select **Initial Disclosures with Print and Deliver** or **Re-Disclosures with Print and Deliver**

  - A printed package will be **mailed to the borrower** by the provider and the unsigned package will be returned from the provider to the **e-Doc Manager, Findings section** as a PDF.
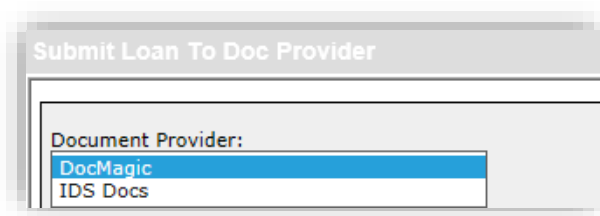
Creating Loan Disclosures

To prepare disclosures select **Submit to Doc Provider** on the loan action menu.   A modal will open to access the interface. If there is missing data in the loan, the **OpenClose** "Scrub" will stop the user and indicate what is missing. A link   to the page where the data can be corrected is provided.
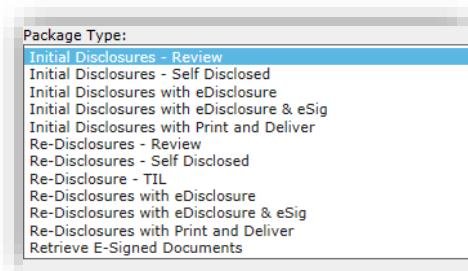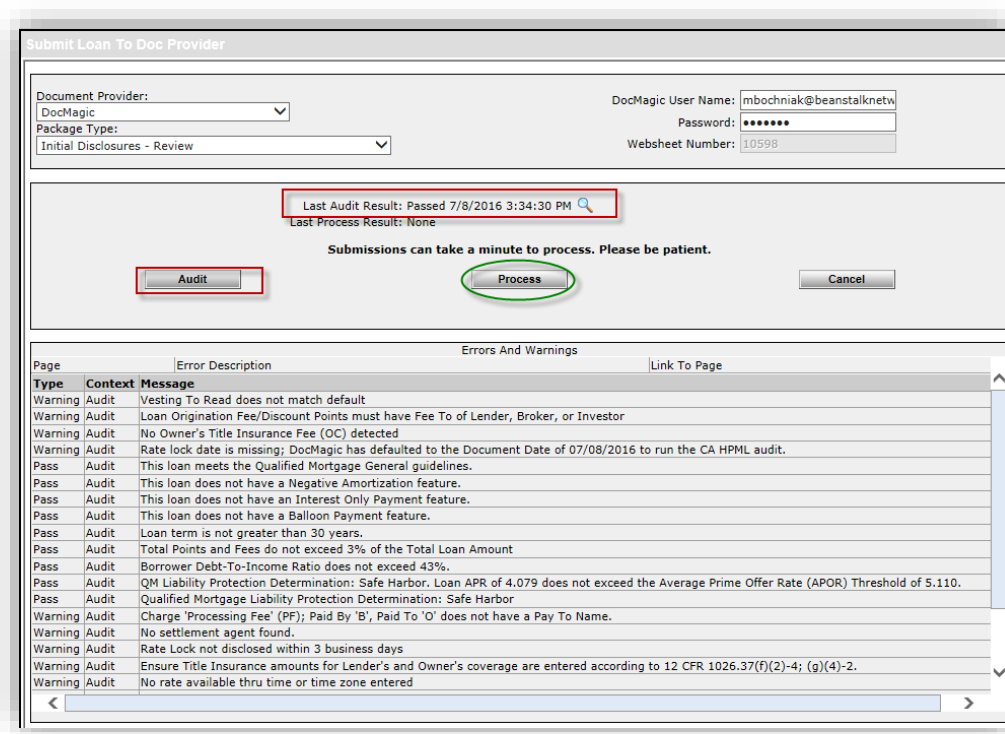
7. Select the **Document Provider** from the dropdown menu. **DSI** Documents is **Doc Magic**.

2. Select the **Package Type** from the dropdown menu (see complete descriptions of package types above).

3. Click **Audit**

4. **Audit** results from the Doc Provider will be returned.

- Review **Warnings** and **Fatal** or **Fail Errors**. **Fatal** or **Fail Errors** are a hard stop and must be addressed.

- The **Last Audit Result** will show **Failed** if there are **Fatal/Fail Errors**.

- If there are **Warnings**, the **Last Audit Result** will show **Passed** and the user can proceed by clicking **Process**.

- A manager should direct users on how **Warnings** should be addressed.

- **Warnings** are not a hard stop. They are returned to advise users that items may need to be addressed. Users should consult their managers as to how warnings should be addressed.
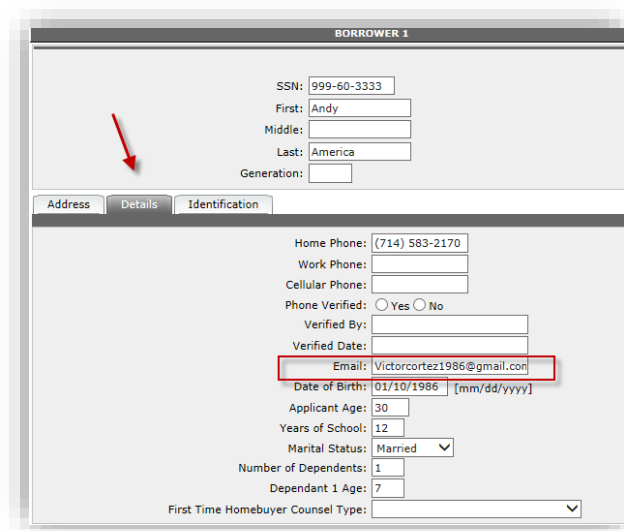
5. Once the **Audit** result is **Passed** click **Process**.

6. If the package is to be emailed, select the **Borrower(s)** to send the documents to.
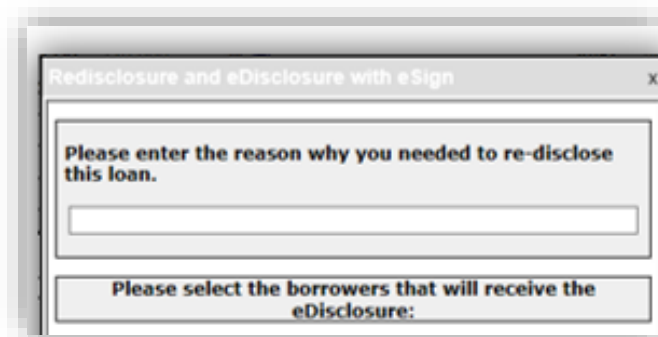
- Provide Each **Borrower** with an individual set of documents by clicking the borrower's name(s).

- Email addresses will populate from the **Edit 1003** screen**, Borrower Information** tab, **Details** tab**.**

- When ordering a **Re-disclosure**, the user *must* enter a reason for the re-disclosure.

7. Users can view documents returned by clicking the **Magnifying Glass** in the modal or in the **e-Doc Manager, Findings**.
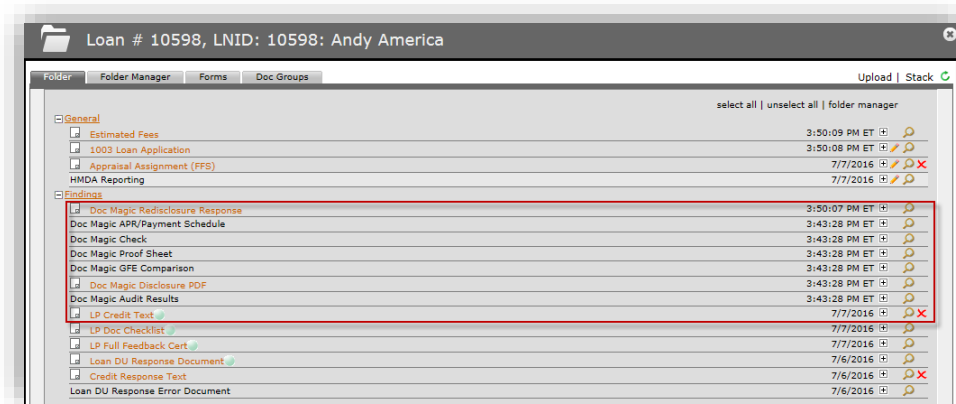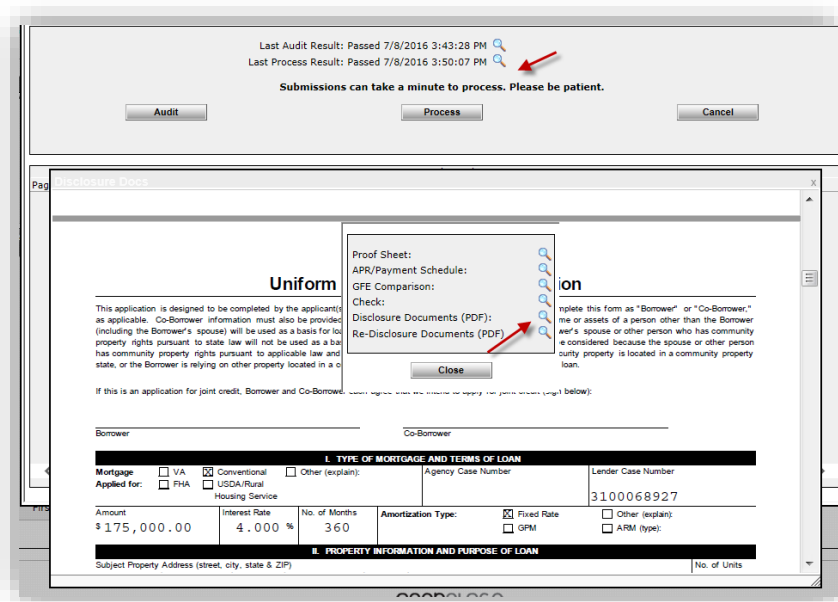
9. Important information regarding **Disclosure Tracking** is stored on the **Loan Info** screen, **Tracking** tab. Users *must* verify and complete applicable information.
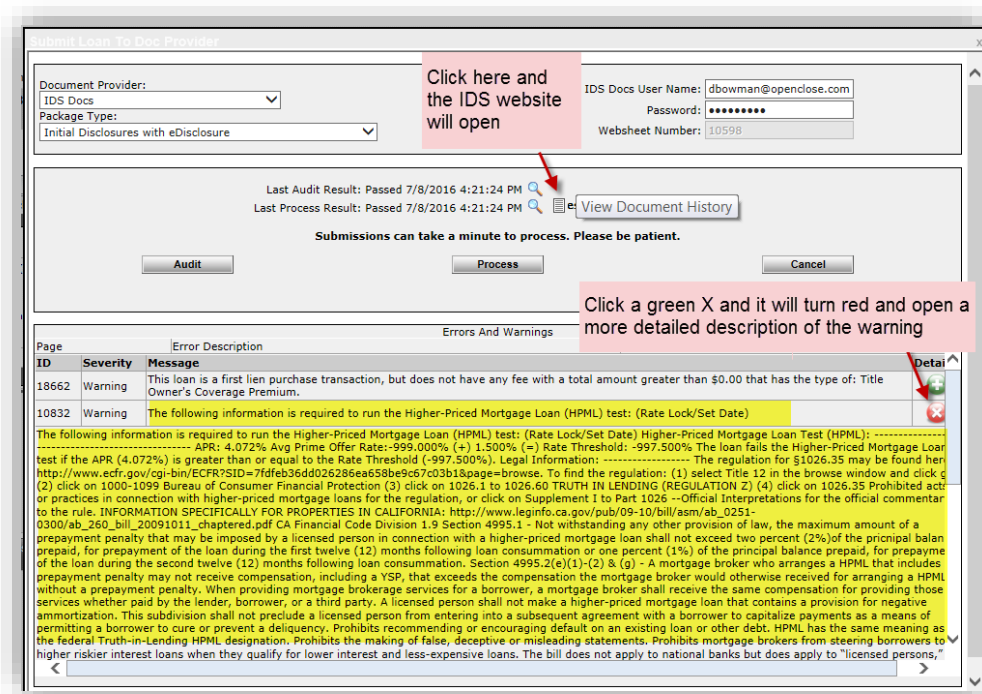
Note: Proper completion of this section is important for compliance and reporting purposes.

IDS Only

If **Doc Provider** is **IDS,** additional icons are available to the user.

1. After an audit or process, users can access the **IDS** portal by clicking the **View Document History** icon 🗒. Any needed data changes *must* be made in **OpenClose**, and the request *must* be re-processed, so the data in **OpenClose** and IDS match.

---

2. When viewing the error descriptions click a green [icon], and it will turn red [icon] and open a more detailed description of the warning or error, as shown below.

IDS Order Preview

IDS users will receive "preview" documents with a watermark when ordering any **Review Package Type**. The word "Preview" will appear as the watermark Unless changed to a different word by an **Administrator** with IDS.

Retrieving E-Signed Documents - Doc Magic

This package type allows the user to retrieve the **eSigned Disclosures** once completed by the borrower(s).

1. Select the **Package Type** – **Retrieve E-Signed Documents** and process.
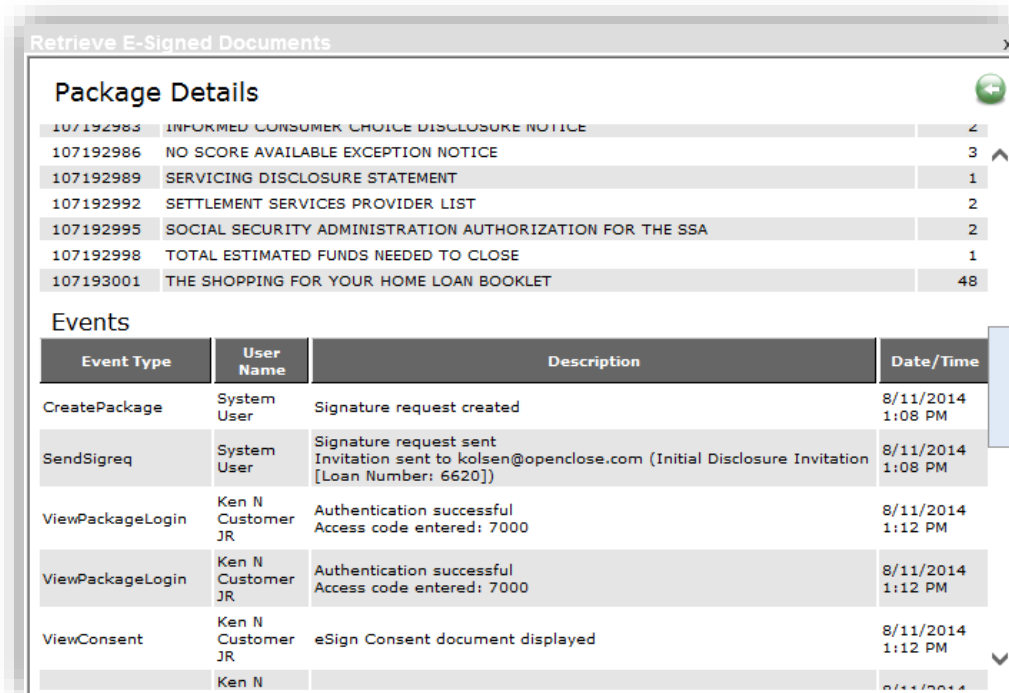
2. **Save** or **View** the **E-Signed Documents** in **e-Doc Manager**

3. Click **Save** to add the **E-Signed Documents** to **e-Doc Manager, Findings**. Click **View** to see the **Package Details and Events Log**.

1. The user can **View**, **Print**, or **Manage** the documents in the **e-Doc Manager, Findings** section.

4. Click the green icon on the top right of the **Package Details** screen to Go Back.

5. After clicking the **Save** icon as shown above, the user can **View**, **Print**, or **Manage** the documents in the **e-Doc Manager, Findings** section.

Findings		
DecisionAssist Pre-Approval Document	6/19/2014 ⊞	
Doc Magic APR/Payment Schedule	8/11/2014	
Doc Magic Audit Results	8/11/2014	
Doc Magic Check	8/11/2014	
Doc Magic Disclosure PDF	8/11/2014	
Doc Magic E-Signed Documents - 5225836	9:39:46 AM ET	
Doc Magic E-Signed Documents - 5225836	10:25:30 AM ET	
Doc Magic E-Signed Documents - 5225836	10:25:55 AM ET	
Doc Magic E-Signed Documents - 5225836 - Events	9:39:47 AM ET	
Doc Magic E-Signed Documents - 5225836 - Events	10:25:31 AM ET	
Doc Magic E-Signed Documents - 5225836 - Events	10:25:55 AM ET	
Doc Magic GFE Comparison	8/11/2014	

10

Automated Underwriting

Overview

This chapter provides instruction on accessing and running **Desktop Originator (DO)**, **Desktop Underwriter (DU)** and **Loan Product Advisor (LPA)** via **OpenClose**. See Addendum A for specific instructions on entering data for specific loan types and/or **AU Systems**.

Submit to AU

The **System Administrator** has enabled the appropriate choices for the **AU Type**. Information on using the interfaces is described below.

Username and password information for the **AU System** and the **Credit Provider** will auto–populate, if stored in either the system level defaults or in the individual user's defaults.

> **Note:** When an error occurs while using an **AU** interface, an error document will appear in the **e-Doc Manager Findings** folder. The user should review it for direction on how to correct the issue.

From the **Loan Actions** menu, select **Submit to AU.** Select the **Underwriting Agency** and **Type** from the available selections.

Fannie Mae – Desktop Underwriting (DU)

1. Select **Underwriting Agency** Fannie Mae – Desktop Underwriting (DU)

2. **DU/Username/Password Selection** will populate from Company or User defaults

3. **DU Request** Options:

- Some **Companies** use **Order Credit Only** to issue a Credit Report. A manager should instruct the user on **Company** workflow with regard to this feature.

- For the first run of **DU,** *do not* check either **Order Underwriting Only** or **Order Credit Only**.

- Select *a* **Credit Agency** from the dropdown menu.

- For subsequent runs, select **Order Underwriting Only**. The **Mornet Case File ID Required** field will populate upon the initial submission.

    - To Submit to DU as a NEW Case File, remove the Case File ID from the **Edit 1003, Fannie Mae** tab.

- Complete credit fields for the first run of **DU** or to request new credit report.

- Acknowledge the borrower's authorization.

> Have the individuals signed a loan application or authorized you to order their credit?
> ☐ **Check Yes!**
> Authorization is required.
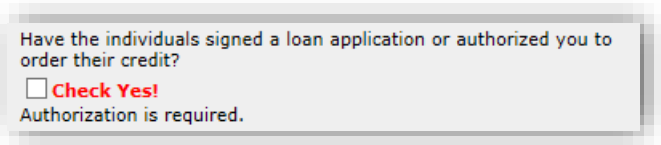
Note: This box must be checked to activate the **Submit Loan to DU** button for the initial run of **DU** or to request a new credit report.

---

4. Select **Borrower(s)**

5. Enter credit report **Reference Numbers** (if applicable)

6. Select **Joint** (if applicable)

7. Click **Submit Loan To DU**

8. **DU Findings** will populate in **e-Doc Manager** under **Findings**

> ☐ Findings
> ☐ Loan DU Response Document 🟢   5:51:33 PM ET ⊞   🔍
> ☐ Credit Response Text   5:51:33 PM ET ⊞   🔍✕
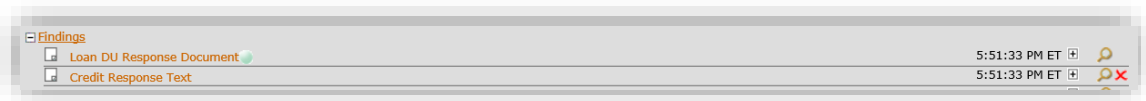
9. To view findings, click the **Green Circle** 🟢 icon or **Magnifying Glass** 🔍 icon to the right of the **Loan DU Response** document

Fannie Mae - Desktop Originator (DO)

1. Select **Underwriting Agency** Fannie Mae – Desktop Originating (DO)

2. **DO/Username/Password Selection** will populate from Company or User defaults

3. **DO Request** Options

    - Click the ☑ **Send Credit Request Information** checkbox for initial run
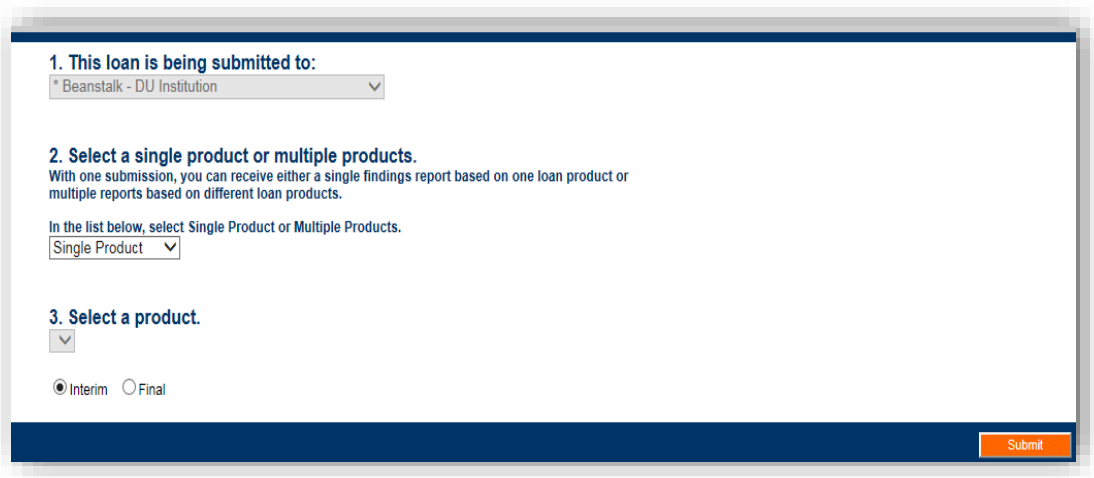
- Select a **Credit Agency** from the dropdown menu

- For subsequent runs, do not select **Send Credit Request Information.**
  The **Mornet Case File ID Required** field will populate upon the initial
  submission. Acknowledge the borrower's authorization

Note: This box must be checked to activate the **Submit Loan to FNMA** button for
the initial run of **DO** or to request a new **Credit Report.**

---

4. Select **Borrower(s)**

5. Enter **Reference Numbers** (if applicable)

6. Select **Joint** (if applicable)

7. Click **Submit to FNMA**

8. The **DO** web site will open in a new window

9. Complete the following on the **DO Screen**:

   - Select a submission option on DO screen (#1)

   - Select a single product or multiple products (#2)

   - Select a product if available (#3)

10. Hit the **Submit** button and **DO** will process
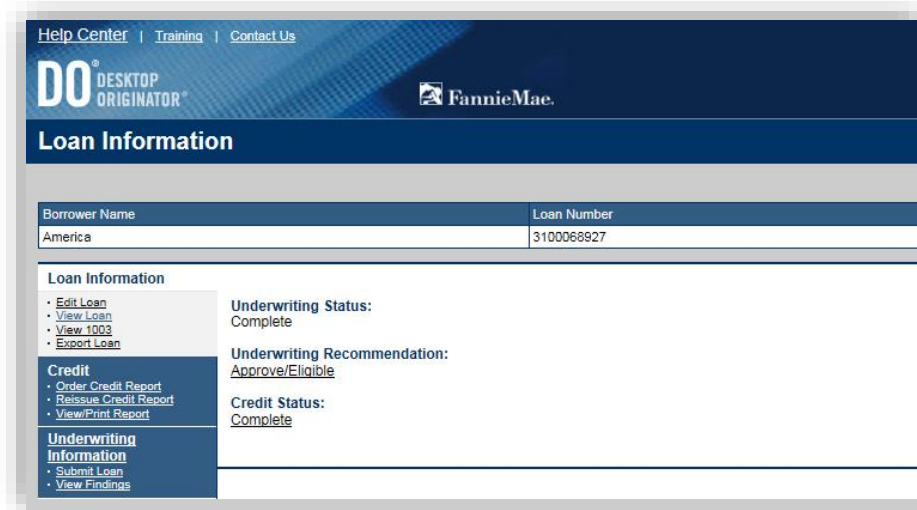
11. Return to the **OpenClose** tab to **Retrieve DO Findings**

    - **Check** the box on the bottom left of the screen which reads:

Have you completed the Loan Submission
form on Fannie Mae Desktop Originator?
☐ **Check Yes!**
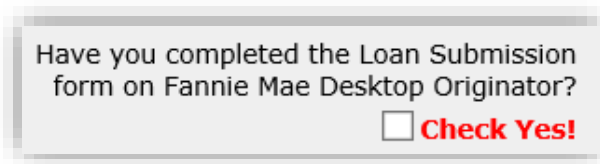
    - Click **Retrieve DO Findings** and the **Findings** will populate in **e-Doc Manager** under **Findings**

☐ Findings
  🔲 Loan DU Response Document 🟢   3:17:53 PM ET ⊞ 🔍
  🔲 Credit Response Text   3:17:53 PM ET ⊞ 🔍✗
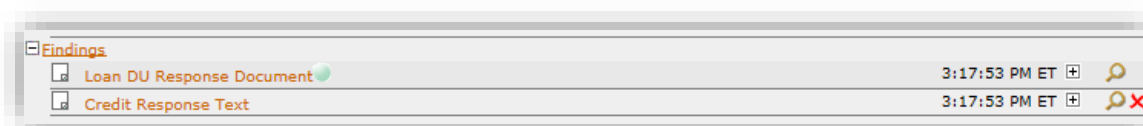
    - To view findings, click the **Green Circle** 🟢 icon or **Magnifying Glass** 🔍 icon to the right of the **DU Response Document**
    - Close the **DO** website

12. After reviewing the findings, make any necessary changes in **OpenClose** before re-running **DO**.

13. The user does not need to check **Send Credit Request Information** for subsequent **DO** runs

14. Once in the **DO** site, the user will need to select **Order Underwriting** only in the dropdown menu.

Select an option below...
Credit and Underwriting
Credit Only
Underwriting Only
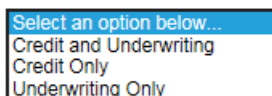
Freddie Mac – LPA System to System

Note: LPA (Loan Product Advisor) replaced **LP** (Loan Prospector) in August of 2016. Go to http://www.freddiemac.com/learn/index.html for more information.

---

1. Select **Underwriting Agency** Freddie Mac – LPA System to System

2. **LPA** Username/Password will populate from Company or User default

3. **LPA Request** Options

4. Select **Merge Credit**

   - Complete *only* for first run of **LPA** or to request a new **Credit Report.**

   - Check **Credit Only** to pull credit without running **LPA**

   - Check the **Extract Credit Report** checkbox to have a separate **Credit Report** returned to the **Findings** section of **e-Doc Manager**

   - Select a **Credit Agency**

   - Select a **Technical Affiliate** if the dropdown menu becomes available

   - Acknowledge the borrower's authorization
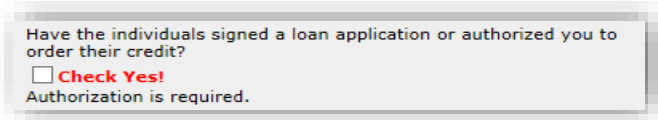
Note: This box must be checked to activate the **Submit Loan to LPA** button when Merge Credit is checked. Select **Borrowers** and enter **Reference Numbers** (if applicable). Select **Borrower Name** or **Joint** (if applicable).

---

5. Click **Submit Loan to LPA**

6. **LPA Findings** will populate in **e-Doc Manager** under **Findings**

7. To view findings, click the **Green Circle** icon or **Magnifying Glass** icon to the right of the **LPA Full Feedback Cert** document
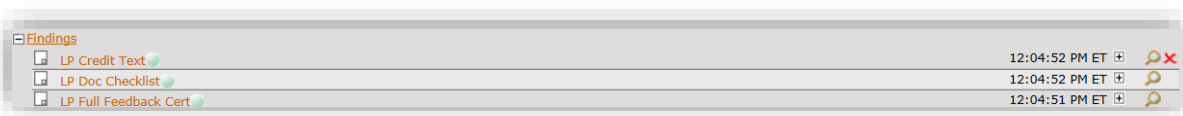
Freddie Mac - LPA Web
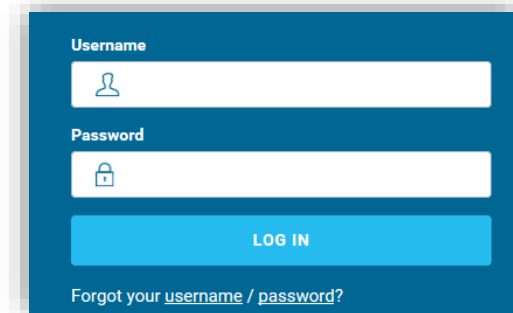
1. Select **Underwriting Agency** Freddie Mac – LPA Web

2. **LPA** Username/Password selection will populate from Company or User defaults

3. **LPA Request** Options

4. Select **Merge Credit**

- Complete *only* for first run of **LPA** or to request a new **Credit Report**

- Check **Credit Only** to pull credit without running **LPA**

- Check the **Extract Credit Report** checkbox to have a separate **Credit Report** returned to the **Findings** section of **e-Doc Manager**

- Select a **Credit Agency**

- Select a **Technical Affiliate** if the dropdown menu becomes available

- Acknowledge the Borrower's Authorization

Have the individuals signed a loan application or authorized you to order their credit?
☐ **Check Yes!**
Authorization is required.

Note: This box must be checked to activate the **Submit Loan to LPA Web** button for the initial run of **LPA** or to request a new **Credit Report.**

5. Complete these fields for the first run of **LPA** or to request a new **Credit Report.**

6. Click **Submit to LPA**

7. The user will be directed to the **LPA** site log in screen and enter **LPA** credentials here:

Username

Password

LOG IN

Forgot your username / password?

Note: Users will be directed to **LPA** (Loan Product Advisor) which replaced **LP** (Loan prospector) in August of 2016. Go to http://www.freddiemac.com/learn/index.html for more information.

8. On the **LPA** screen, **Submit** the loan.

9. The user will see the **LPA Feedback Certificate** and can view all results in the **LPA** site.

Loan Product Advisor Feedback Certificate

Evaluation Summary

PURCHASE ELIGIBILITY	RISK CLASS	COLLATERAL REP & WARRANTY RELIEF
✓ ELIGIBLE	✓ ACCEPT	! UNAVAILABLE
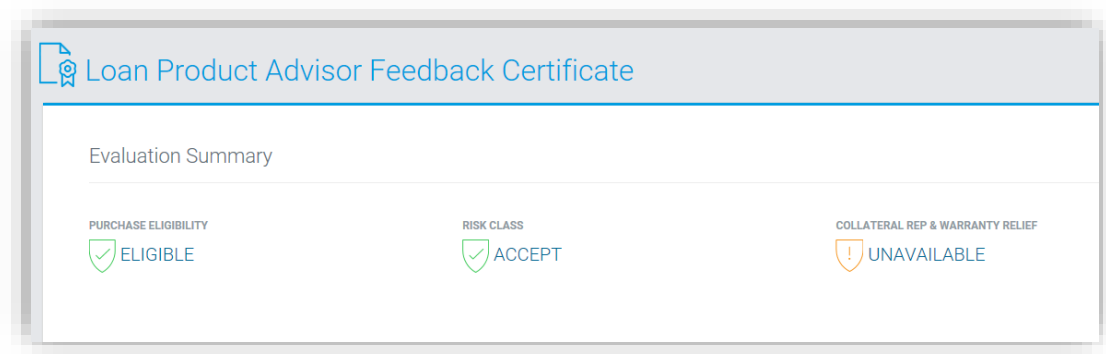
10. Once the process has completed, the user can send the findings back to **OpenClose** by clicking **Send to Your System** and closing the **LPA** tab
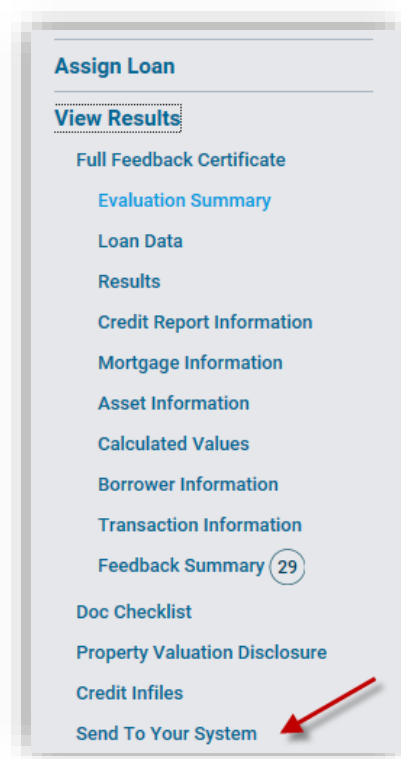
11. **LPA findings** will populate in **e-Doc Manager** under **Findings**

12. To view findings, click the **Green Circle** icon or **Magnifying Glass** icon to the right of the **LPA Full Feedback Cert** document.

13. After reviewing the findings, make any necessary changes in **OpenClose** before re-running **LPA**.
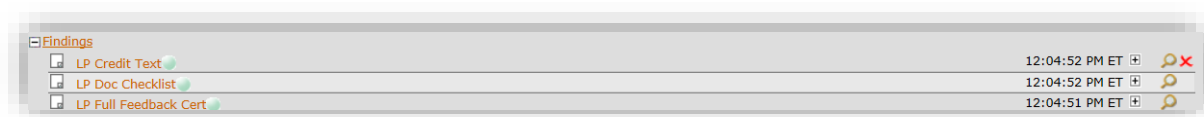
Processing

Overview

The purpose of this chapter is to provide information on the **Processing Screen**. The system **Administrator** makes the screen available to users based on **The Company's** workflow.

> **Note:** Depending on the origination company's workflow, the **Processing Screen** *may* or *may not* be the responsibility of the **Originator** or **Processor**. Users should consult with management as to their particular responsibilities and consult this chapter for information if applicable.

Processing

From the **Loan Action Menu**, select **Processing**. The **Processing** screen is designed to track a variety of order types from third parties, such as Appraisal Request, Evidence of Insurance, Title Request, and Verifications. Users may also use the **Processing** screen to track requests of borrowers, such as Bank Statements, Tax Returns, and Paystubs. A form used to make the request can be generated for three specific request types (see below). The use of the screen is controlled by the system **Administrator**.
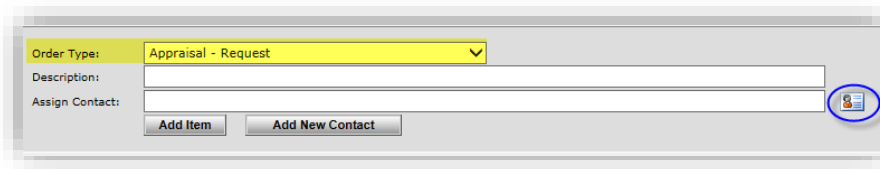
To process an order:

1. Select the item from the **Order Type** dropdown menu.
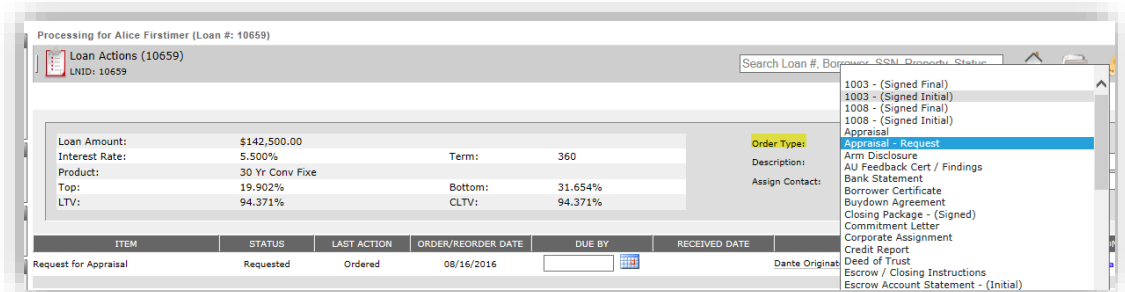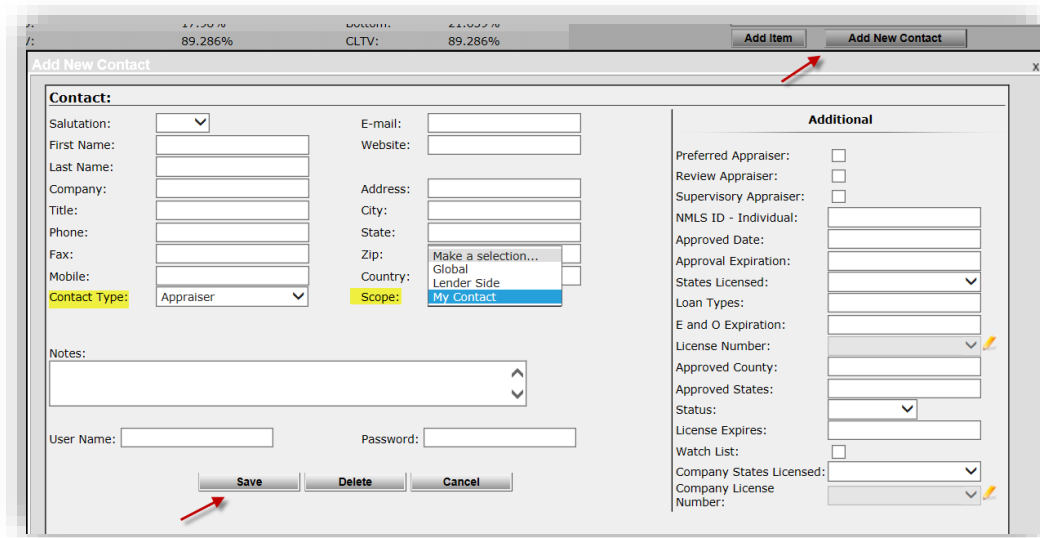
2. Add the **Contact**

- User(s) can search for an existing contact or add a new contact from this screen.

- To add a *new* Contact:
    - o Click **Add New Contact**.
    - o Select the **Contact Type**.
    - o Select the **Scope**.
    - o Complete all fields.
    - o Click **Save**.

- To search for a **Contact**:
    - o Select the **Contact Lookup Card**.
    - o Select **View** type (**All Contacts, Loan Contacts, etc.**).
    - o Select **Default Filter** to narrow the search.
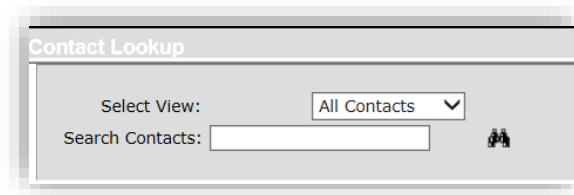
- To add the **Contact** to the order:
  - Flag the contact.
  - Click **Add Flagged**.

3. To add the item to the screen:
   - Click **Add Item.**
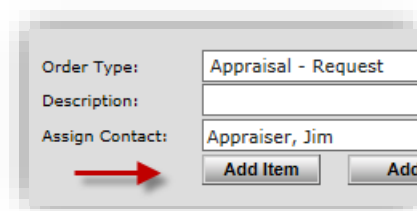
- The **Order Type** will appear on the screen.
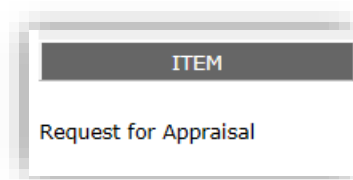
4. To update **Order Status**:

- Select the appropriate **Action** from the dropdown menu.
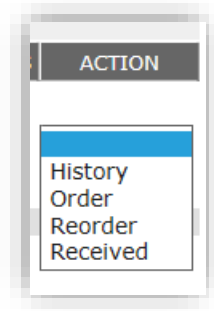
- The **Action** will update the appropriate columns listed below:

  - **Status**
  - **Last Action**
  - **Order**/**Reorder Date**
  - **Due By** (if an Admin has set a default to # of days)
  - User can add or edit a **Due By date**
  - **Received Date**
  - **Created By**
  - **Contact**

Note: When **Action** is **Received** the **Received Date** will populate.

- When **Action** is **History,** a new tab will open with the history of the item.

5. The user can add **Comments** to the ordered item.
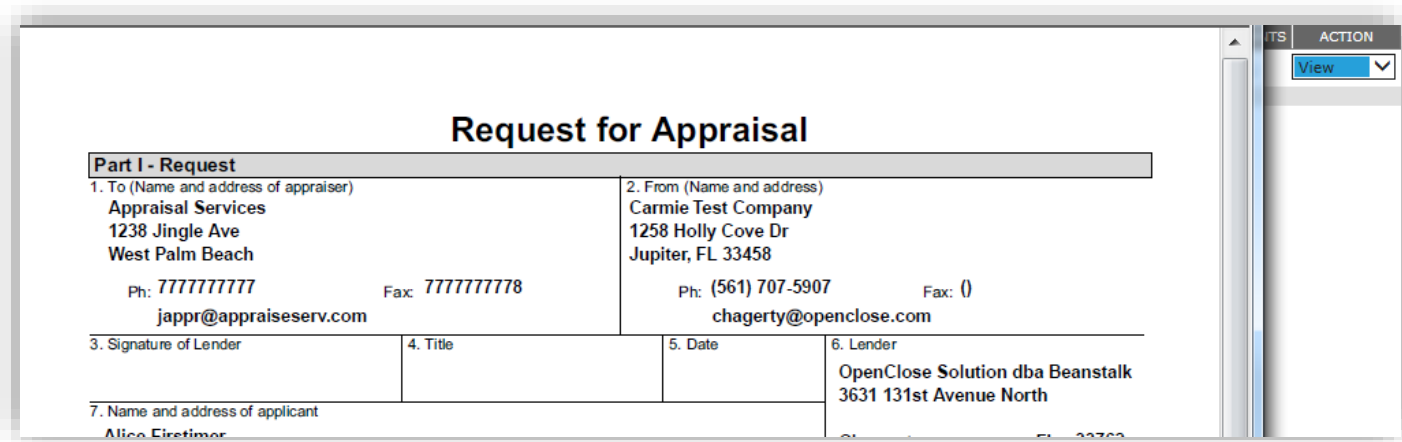
6. When the following **Order Types** are selected a request document is created:
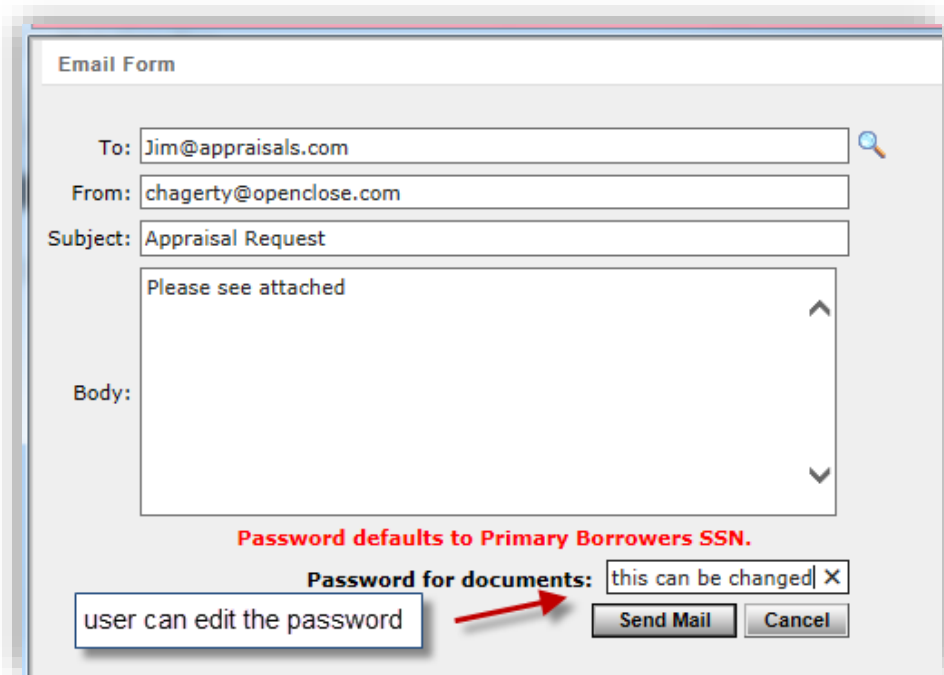
- **Appraisal – Request**
- **Insurance – Verification Request**
- **Title – Request**

7. When one of the **Order Types** above is selected the **Action** dropdown menu includes three additional choices:

- **View**

- **Edit**

- **Email**

8. Select **View** from the **Action** dropdown menu to review the document.

9. The document can be Emailed from the Processing screen.
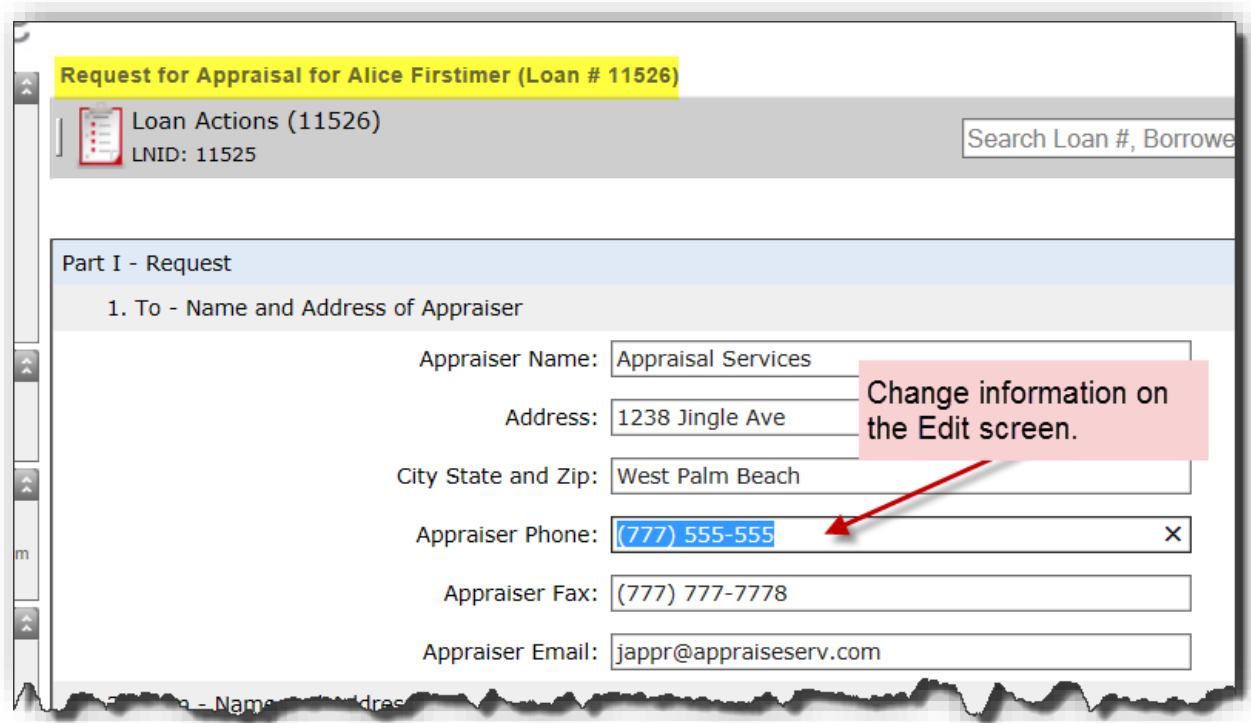
10. Click **Edit** to open the **Edit** Screen

11. The document can also be viewed, printed, or emailed in the **e-Doc Manager** under **Processing**.
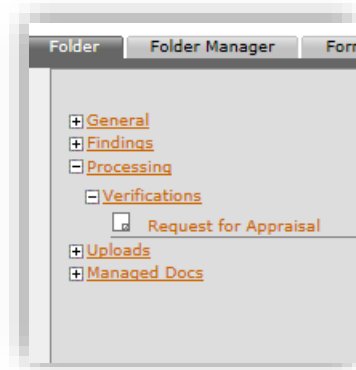
12. When the order is any of the below, the **Action Order** will populate date fields on the **Loan Info** screen, **Tracking** tab:

- **Appraisal – Request**

- **Insurance – Verification Request**

- **Title – Request**

- **Payoff Statement**

Note: Users should consult with management as to **The Company's** use of the **Processing** screen and user type permissions. There are many variations the **Administrator** can set. *One* Example of how this can be configured follows:

- **Originator** user may add orders on the **Processing** screen prior to **Submit to Lender**.

- Based on permissions set by the System **Administrator**, the user may not clear or edit the items after the loan has been submitted.

- The user may view updates and additional orders made by the **Lender** user.
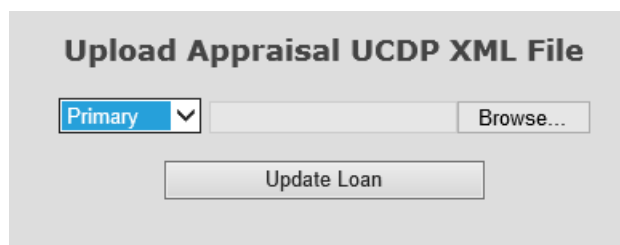
Upload UCDP (Uniform Collateral Data Portal) XML File

The OpenClose – UCDP XML Upload Feature will allow users to upload/import an appraisal file directly into the OpenClose System.

When the lender's appraiser provides the appraisal, often the appraiser will also provide the lender with a data file in UCDP XML format. Now the user can Upload this file into OpenClose. The result is that appraisal data is imported and merged into the OpenClose screens, and the appraisals PDF document is also automatically uploaded into eDoc Manager where it can be Viewed, Printed, and Managed.

- **Upload UCDP XML File**

    1. Loan Action Menu
    2. Update Loan
        a. If this is not on the Loan Action Menu, the Lender's Administrator will need to enable it
    3. Verify that the appraiser has provided a UCDP XML file and that it is saved on a local or network drive
    4. Select Primary, Secondary or Review
        a. If this is the first, or Primary, appraisal, select Primary
        b. If this is the second, or Secondary appraisal, select Secondary
        c. If this is a review appraisal, select Review

    5. Browse to where the UCDP XML file is saved on your local or network drive, and select it

---

6. Click Update Loan
7. If the Upload is successful, the user will see "Uploaded file successfully."

Upload Appraisal UCDP XML File

Primary ⌄   Browse...

Uploaded file successfully.

Update Loan
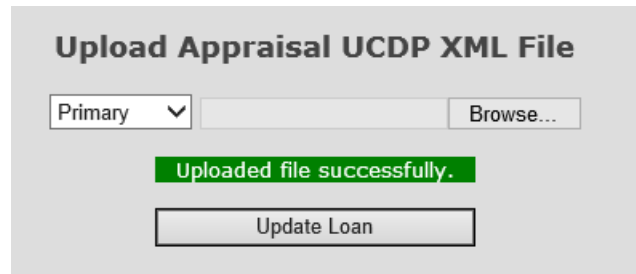
The appraisal will now be in eDoc Manager, Findings folder:

e-DOC MANAGER

Folder   Forms   Doc Groups   Upload | Stack

Search Documents   select all | unselect all | folder manager

☐ General
     1003 Loan Application   7/24/2017
☐ Findings
     Lender Loan Request Document   6/20/2016
     Primary Appraisal Report Document   10:45:25 AM ET
     Review Appraisal Appraisal Report Document   11:06:42 AM ET
     Secondary Appraisal Appraisal Report Document   11:03:32 AM ET

From here, the user can Print, View, Manage, and in some cases Delete, if that permission is enabled by the Lender's Administrator.

Imported Data

- The fields listed below will auto-populate, when applicable, based on the imported data.

- Note that if the UCDP XML file is RE-imported, data will then be overwritten with the new data.

- If the user uploads a Primary appraisal, and/or a Secondary appraisal, and/or a Review appraisal, the imported data will come only from the Primary appraisal, unless the data is unique to the Secondary or Review appraisal such as with Appraiser Name and Appraisal Company.

1. Loan Info, Underwriting, or Post Closing (Lender side only)
   a. Appraisal Information modal:
      i. Primary Appraisal Detail
         1. Appraised Value
         2. Appraiser Name
         3. Appraisal Company
         4. Appraiser License #
         5. Appraisal Received
         6. Appraisal Completed
         7. Property Valuation Form #

Primary Appraisal Detail

Appraised Value $:	515000
Appraiser Name:	Elle T. Bui
Appraisal Company:	Platinum Real Estate Appraisal
Appraiser License #:	AR036683
Appraisal Ordered:	
Appraisal Received:	01/12/2016
Appraisal Completed Date:	12/21/2015
Appraisal Expiration Date:	
Appraisal Sent to Borrower:	
Appraisal Sent Method:	
UCDP Appraisal ID:	
UCDP Appraisal Transmit Date:	
UCDP Appraisal Upload Status:	
Property Valuation Form #:	FRE465/FNM1073 - Individual Condo Appraisal Report

ii. Second Appraisal Detail
1. 2nd Appraised Value
2. 2nd Appraiser Name
3. 2nd Appraiser Company
4. 2nd Appraiser License
5. 2nd Appraisal Received
6. 2nd Appraisal Complete Date
7. 2nd Property Valuation Form #

Second Appraisal Detail

2nd - Appraised Value $:	570000
2nd - Appraiser Name:	Elle T. Bui
2nd - Appraisal Company:	Platinum Real Estate Appraisal
2nd - Appraiser License #:	AR036683
2nd - Appraisal Ordered:	
2nd - Appraisal Received:	03/31/2016
2nd - Appraisal Complete Date:	03/23/2016
2nd - Appraisal Expiration Date:	
2nd - Appraisal Sent to Borr:	
2nd - Appraisal Sent Method:	
2nd - UCDP Appraisal ID:	
2nd - UCDP Appraisal Transmit Date:	
2nd - UCDP Appraisal Upload Status:	
2nd - Property Valuation Form #:	FRE465/FNM1073 - Individual Cc

iii. Review Appraisal Detail
   1. Review Appraised Value
   2. Review Appraiser Name
   3. Review Appraisal Company
   4. Review Appraiser License #
   5. Review Appraisal Received
   6. Review Appraisal Completed
   7. Review Property Valuation Form #

Review Appraisal Detail	
Review - Appraised Value $:	170000
Review - Appraiser Name:	Abigail D Alle
Review - Appraisal Company:	Northern Appraisal Service, Inc.
Review - Appraiser License #:	20383930
Review - Appraisal Ordered:	
Review - Appraisal Received:	07/01/2015
Review - Appraisal Completed Date:	07/01/2015
Review - Appraisal Expiration Date:	
Review - Appraisal Sent to Borrower:	
Review - Appraisal Sent Method:	
Review - UCDP Appraisal ID:	
Review - UCDP Appraisal Transmit Date:	
Review - UCDP Appraisal Upload Status:	
Review - Property Valuation Form #:	FRE465/FNM1073 - Individual

b. Property Information Modal
i. Property Information
1. Parcel #
2. Year Built
3. Occupancy – maps from 1003
4. Estate Will Be Held In – maps from 1003
5. Building Status
6. Building Condition
7. Attachment Type
8. Quality of Construction
9. Construction Method, if provided
10. Age of Property (Years)
11. Est Remaining Economic Life (Years), if provided
12. Number of Stories

Property Information	
Parcel #:	934-507-85
Year Built:	1994
Occupancy:	Primary Residence
Estate Will Be Held In:	Fee Simple
Building Status:	Existing
Building Condition:	Almost New or Recently Renova
Attachment Type:	Attached
Quality of Construction:	Meets/Exceeds Building Code or
Construction Method:	
Age of Property (Years):	23
Est. Remaining Economic Life (Years):	
Number of Stories:	2

ii. Unit Information, for each unit
1. Number of Rooms
2. Number of Bedrooms
3. Number of Baths
4. Living Area Sq Ft
5. Rent $

Unit Information	Unit 1	Unit 2	Unit 3	Unit 4	Total
Number of Rooms:	6	0	0	0	6
Number of Bedrooms:	2	0	0	0	2
Number of Baths:	2.0	0	0	0	2.0
Living Area Sq Ft:	1563	0	0	0	1563
Rent ($):	0	0	0	0	0.00

iii. Project Information
   1. Project Name
   2. Project Attachment Type, if applicable
   3. Project Design Type
   4. Project Design Other, if applicable
   5. Project # of Units (Count)
   6. Project # of Units Sold

Project Information

Project Name:	ST. Tropez
Project Status Type:	
FNMA CPM Project ID:	
Project Attachment Type:	
Project Classification ID (FNMA):	
Project Classification ID (FHLMC):	
Project Structure Type:	
Project Design Type:	Townhouse/Rowhouse
Project Design Other:	
Project # of Units (Count):	145
Project # of Units Sold:	145

iv. Manufactured Home Information
   1. Manufactured Home Type
   2. Manufacturer's Name
   3. Manufacturer's Serial No
   4. Length x Width
   5. HUD Label Numbers
   6. Model Name
   7. Manufacturer Build Year
   8. Attached to Foundation

Manufactured Home Information

Manufactured Home Type:	MultiWide
Manufacturer's Name:	Fairmont Homes, Inc.
Manufacturer's Serial No.:	MY05 122732 ABF 5228-
Length x Width:	48 x 27
HUD Label Number(s):	RAD1416105/RAD14161
Certificate of Title Number:	
Model Name:	Signature Limited Sectio
Model No.:	
Manufacturer Build Year:	2004
Attached to Foundation:	Yes

2. Edit 1003,
    a. Property
        i. Number of Units
        ii. Year Built
        iii. Appraised Value
        iv. Legal Description
        v. Legal Description Other
    b. Freddie Mac tab
        i. Building Status
    c. Fannie Mae tab
        i. Subject Property Type

12

Additional Loan Action Items

Overview

The purpose of this chapter is to provide information regarding additional items on the **Loan Action Menu**. The system **Administrator** makes the screen available to users based on **The Company's** workflow.

> **Note:** Depending on the origination company's workflow, the following screens *may* or *may not* be the responsibility of the **Origination Side** user. Users should consult with management as to their particular responsibilities and consult this chapter for information if applicable.

Edit 1008

Much of the **Edit 1008** screen will be completed by data entry on other screens, however, there are some editable fields. The 1008 (Uniform Underwriting and Transmittal Summary) is generated and stored in the **e-Doc Manager** when a user goes to the screen and saves.   Managers should advise users of their responsibilities with regard to this screen.

If the loan has more than one application (e.g. non-married borrowers), a 1008 that can accommodate additional applications needs to be added to the file.

- To Add the 1008 for a loan with multiple applications:

    1. Navigate to the **e-Doc Manager**.

    2. Click on the **Forms folder** tab.

    3. Click **General**.

    4. Select **Uniform Underwriting and Transmittal Summary Combined**.

    5. Click **Add to Folder**.

    6. The **e-Doc Manager** will refresh.

7. Click **General**.

8. Click the **Edit Pencil** to open the **Uniform Underwriting and Transmittal Summary Combined** screen.

Note: If using **Uniform Underwriting and Transmittal Summary** and not the combined version, the document will automatically generate in **e-Doc Manager, General**, when the **Edit 1008** screen is saved.

1008 Comments

An **Origination Side** user *may* need to add comments to the **Edit 1008** screen. The user should type in the first text box. If additional space is needed the user may check the box **Comments are attached as additional pages.** This will allow the user to add up to two additional pages for the purpose of adding comments. Use the first box to add comments that will appear on the form and complete on an additional page. If more space is needed type in the second box to add a second page.

HMDA

From the **Loan Action Menu**, select **HMDA.** The **HMDA** screen collects data needed for HMDA analysis and reporting. As the loan progresses, information on the **HMDA** screen is updated automatically and an updated version of HMDA reporting document is stored in the **e-Doc Manager** on the **Origination Side** of the loan.

In some cases, an **Origination Side** user may need to complete fields related to **Pre-Approval**, **Action Taken** or others as instructed by management.

There may be an active link to **QuestSoft GeoCode Lookup** on the **HMDA** screen. Clicking on the link will populate related fields on the HMDA screen. There may be a **GeoCode** option on the **Compliance** screen (see below). The use of this service will also populate related fields on the HMDA screen.

Origination Side users *must* consult with management as to their particular responsibilities on this screen.

Flood Certification

To order the **Flood Certification:**

1. **Loan Action**

2. **Flood Certification**

3. Select the **Flood Certification Provider**

4. Stored user credentials will populate

5. Select the appropriate **Action** and **Product** from the dropdown menu

---

6. Click **Submit**.

If the request is successful, the following message will appear:

Flood Certification has been requested successfully.
Please check the e-Doc Manager for responses.

The response will be in the **Findings** section of the **e-Doc Manager.**
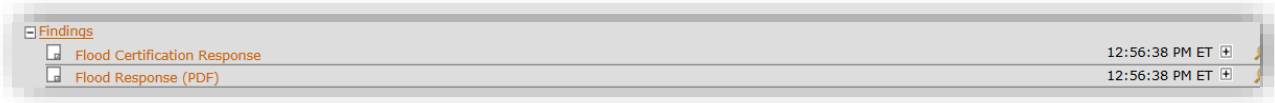
The response document will tell the user the status (e.g. complete, in research, etc.). The Response Pdf is the actual Flood Certification.
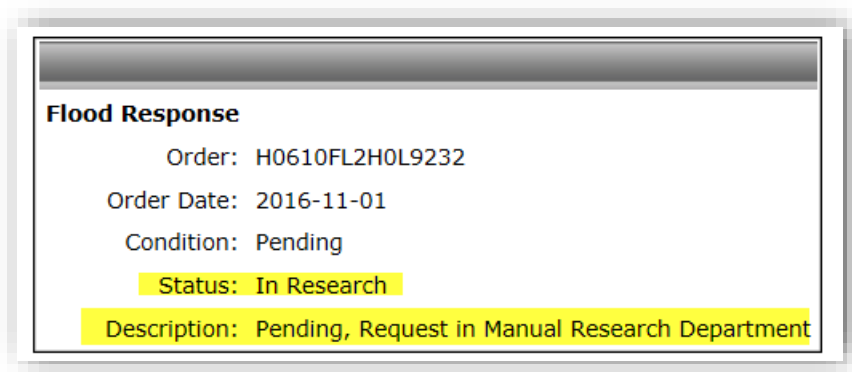
When the status is In Research, the user has Status Query as an available Action. The user should select this option if the flood cert PDF is not returned to the findings section within the time frame stated in the vendor's service level agreement.
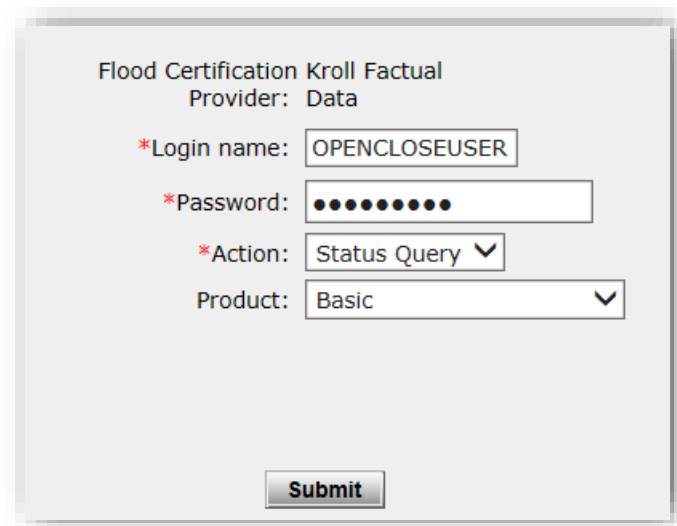
Note: If the Flood Cert provider is QuestSoft - Compliance Eagle, the Flood Cert will be ordered by selecting **Compliance** on the **Loan Action Menu**. Flood-Quick-Check and Flood are options on that screen.

Fraud Filter

To order a FraudGUARD® report:

1. **Loan Action**

2. **Fraud Filter**

3. Stored user credentials will populate.

4. Click **Submit**.

 If the request is successful, the following message will appear:

Fraud Guard submission was successful,
Please check eDoc manager for Fraud Guard response

The FraudGUARD® response documents will be in the **Findings** section of the **e-Doc Manager.**

Compliance

From the **Loan Action Menu**, select **Compliance.** A list of QuestSoft - Compliance Eagle services will open. Stored user credentials will populate. Click on the **Additional Request Data** tab. Complete any applicable fields. Select the service(s) on the **Request Criteria tab** and click **Submit**. If the request is successful, the following message will appear.

Compliance report has been requested successfully.
Please check the e-Doc manager for responses.

Response documents will be in the findings section of the **e-Doc Manager**.

Update Loan

Update Loan is used to upload a new Fannie Mae 3.2 file into the existing loan. From the **Loan Action Menu**, select **Update Loan.** This feature *will not* create a new loan. It will completely overwrite the data in the loan with the new 3.2 file data. Third party reference numbers, including credit, flood, AU, and others may be modified or removed. **Update Loan** is intended for Third Party Originators (TPO) who use a different Loan Origination System (LOS). It allows the TPO to make changes to a file in his or her LOS and then update the file s/he previously imported into **OpenClose**. It is not recommended that **Update Loan** be used after a loan has been submitted to the **Lender** unless it has been requested by the lender.

To Update Loan

1. **Loan Action**
2. **Update Loan**
3. **Select** the file to import
4. Select **Destination After Upload**
5. Click **Update Loan**
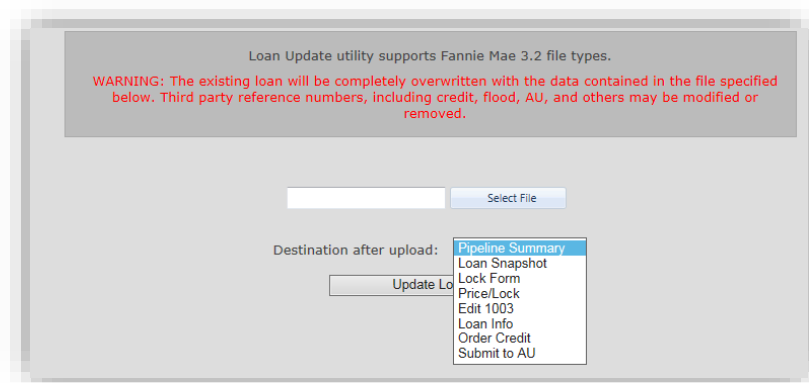
Export Loan

This feature will extract the 1003 loan data in Fannie Mae 3.2 file format. From the **Loan Action Menu**, select **Export Loan.** Select **Fannie Mae (ver. 3.2)** as the format to export to. After selecting the file format for the exported loan, click on the **Export** button. There may be a slight delay between the time the user clicks the button and the time the file download dialog appears. Save the file as a FNM file.

Copy Loan

This feature creates a new loan that contains the same 1003 data. From the **Loan Action Menu**, select **Copy Loan**. A modal will open. Click **OK** to copy the loan or **Cancel** to close the modal without copying the loan. The user will be returned to the **Pipeline Summary** where s/he can access the copied loan in **Prospect Loans.**
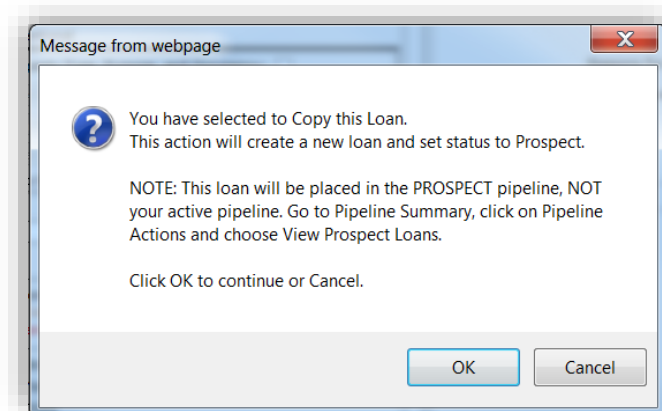
Note: *Only* an **Origination Side** user can **Copy Loan.**

Cancel Loan

This feature cancels the loan and moves it out of the user's Active Loan pipeline view. From the **Loan Action Menu**, select **Cancel Loan**. The user can still access the cancelled loan by using the **View Cancelled Loans** in **Pipeline Actions** or using the **Cancelled Loan Search** in the dropdown menu. Once a loan is cancelled, the **Loan Status** will change to **Cancelled** and the 1003 and other screens will no longer be editable. To make the loan active again, contact a Lender Employee Manager.
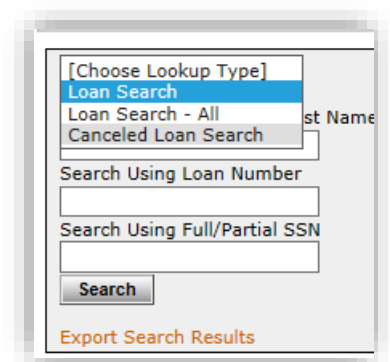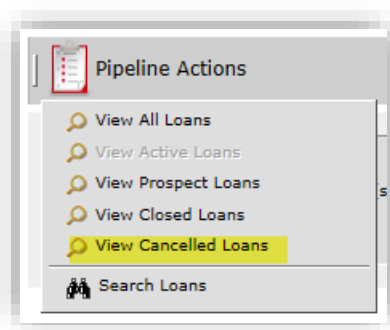
Close Loan

This feature should not be confused with sending a loan to closing. This feature is used to move the loan out of the user's Active Loan pipeline view because it is no longer active. From the **Loan Action Menu**, select **Close Loan**. Closed files can still be searched for and viewed. Once a loan file is closed, using **Close Loan**, the **Loan Status** will change to **Closed**. If there is a need to make the loan active again, contact a **Lender Employee Manager**.
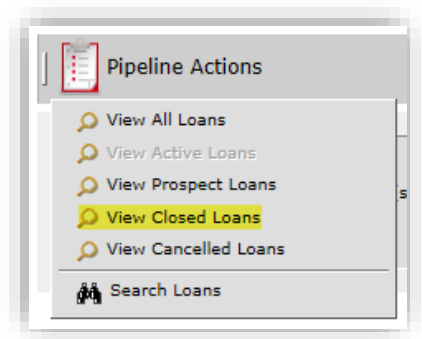
Note: Funded loans will remain active in the **Originator's** pipeline until the file is closed using **Close Loan**.

Reporting

Overview

The purpose of this chapter is to provide information on the reporting functions in **OpenClose**.

Reporting allows users to create reusable reports based on multiple fields and criteria. Report templates can be shared among users.

When creating and using reports, consider the following:

- **Originator Level 2** and **3** users can only report on loans in his/her pipeline.
- **Originator Level 1** users can report on all loans within their originator/branch **Company**.

Accessing Reporting

To access, click **Reporting** in the **Left Navigation Pipeline** menu.
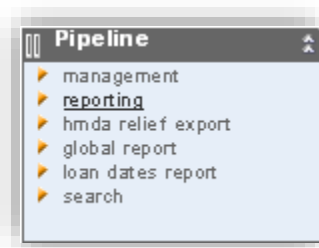
From the Reporting page, users can create new reports, edit, copy and share existing reports, and run and view saved reports.

Creating Reports

To create a report:

4. On the **Reporting** screen, **Edit Report** tab, identify the **Select From** category to locate specific fields. Screens are listed alphabetically. Click the **Green Plus**

icon to expand the selection of fields. Frequently used fields, such as Application Date, Loan Status, and Lock Status can be found under 1003.
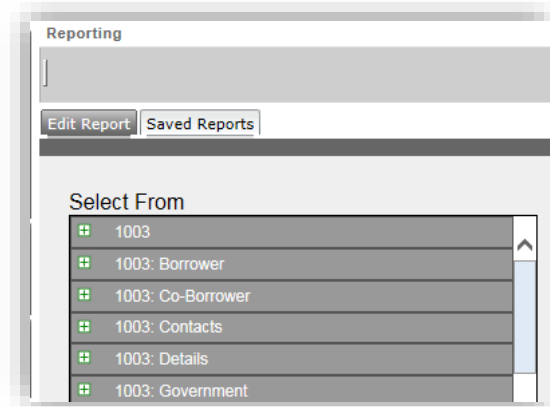
5. Click the ⊕ **Green Plus** icon to select the fields to include in the report. The item will move from the left to the right box. To remove it click the ⊖ **Red Minus** icon.
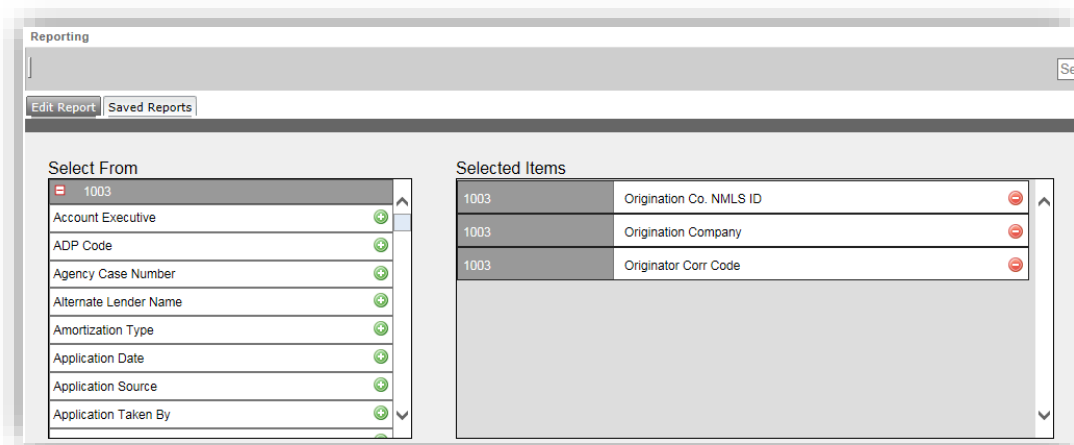
6. Use the mouse to drag fields in **Selected Items to change the order of fields on the report.**

7. Indicate the **Scope** to run the report on. **Level 1 Originators** will have the choice of their entire company or his/her personal pipeline. **Level 2** and **3 Originators** can only report on his/her personal pipeline.

8. Add **Filter**(s).
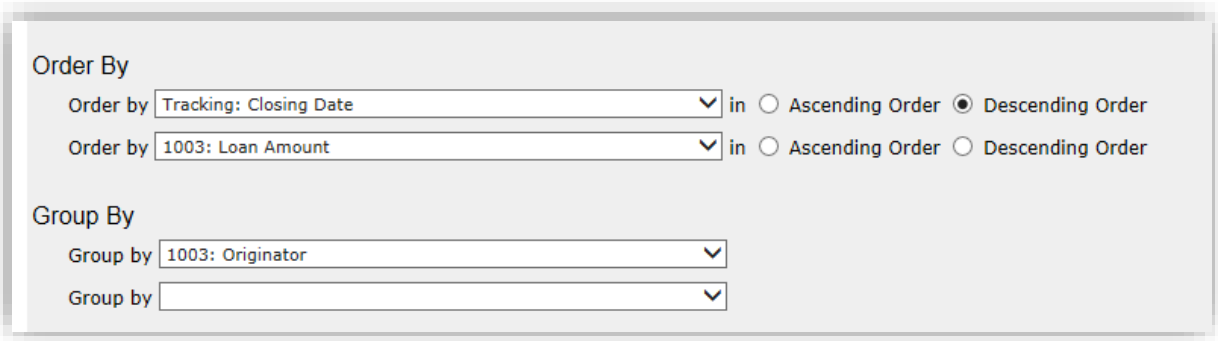
Note: Only loans that meet all filter criteria will appear in reports with multiple filters.

- **Filter Types** include:
  - **Equal To** – include loans with an attribute equal to the value
  - **Not Equal To** – do not include loans with an attribute equal to the value
  - **Greater Than** – include loans with an attribute greater than the value
  - **Greater Than or Equal To** – include loans with an attribute greater than or equal to the value
  - **Less Than** – include loans with an attribute less than the value
  - **Less Than or Equal To -** include loans with an attribute less than or equal to the value
  - **Contains** - include loans with an attribute that contains the value
  - **In List** - include loans with an attribute that is in the value list

- o **Not in List -** include loans with an attribute that is not in the value list
- o **Ranged** – include loans with an attribute that falls within the ranged value

---

Note: When using the **In List or Not in List** filter user may select more than one item in the list of options, (e.g. Loan Status may include Origination, UW Submitted, UW Approved with Conditions, Funded, etc.). To select more than one option hold the Ctrl key and click on the items to include, or hold down Shift to select a range.

---

9. Select the Criteria to **Order by** and/or **Group by**.
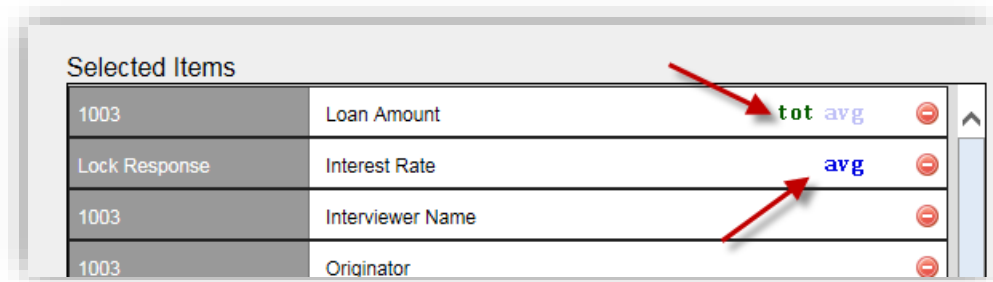
10. Some fields allow the user the option to total and/or average figures (e.g. Loan amount, interest rate, down payment).
    a. Click on "**tot**" and/or "**avg**" when appropriate.

    b. The selected items will display the total and/or average on the report.

10786	100,000.00	3.25
9737	142,500.00	3.375
9750	102,500.00	3.500
11056	100,000.00	3.875
10659	142,500.00	5.500
Loans: 89	Total: $16,167,264.00	Avg: 3.900

c. When **Group By** is used, and **Total** and/or **Average** are selected, the result will appear on the report based on the **Group By**, (e.g. Group By **Originator** and click **tot** and **avg** for **Loan Amount** and **avg** for **Interest Rate**, the totals for each **Originator** will show on the report).

Originator: Bean Originator; Loans: 54; Loan Amount Total: $11,054,907.48; Loan Amount Avg: $204,720.51; Interest Rate Avg: 3.736			
11292	411,999.48	0.000	Bean Originator
11290	308,040.00	2.000	Bean Originator
11397	180,000.00	3.750	Bean Originator
11399	180,000.00	3.625	Bean Originator
11391	180,000.00	3.625	Bean Originator
10899	0.00	0.000	Bean Originator
10996	350,000.00	2.625	Bean Originator

11. Name the report, enter a description (optional) and click **Save**.

Save Report

Report Name: Lock Info [Save]

Report Description:

Running Reports

1. Click **Saved Reports** to run and view reports.
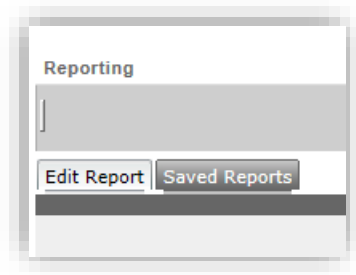
2. Click 🗒 **View** icon.
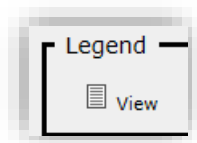
3. The report will open in a separate window.

Loan #	1003: Borrower: Name	1003: Loan Amount	1003: Interest Rate
11358	Jose Entry	200,000.00	4.000
11361	John Homeowner	253,500.00	5.250
11363	Ken Customer	200,000.00	3.500
11369	Elizabeth Spender	200,000.00	5.000
11371	Maximum Cbcco	260,000.00	3.625
11353	Ken Customer	300,000.00	5.500
11408	Andy America	300,000.00	5.250
11410	Alice Firstimer	150,000.00	6.000

4. Results can be **exported** to **Excel, CSV or Word file formats by selecting one of the corresponding icon below.**

5. Users may keep a report open and run it throughout the day. Use **Refresh** to update results as needed.

Editing and Sharing Saved Reports

The **Legend** below shows the action icons on the **Saved Reports** tab. These icons allow users to **View**, **Copy**, **Share**, **Edit**, and **Delete** saved reports.

Legend

View · Copy · Share · Edit · Delete
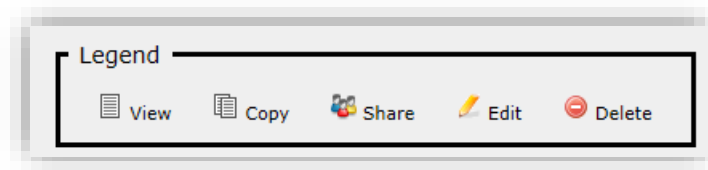
1. Use **Copy** to create a new report that is similar to one that already exists. Click the **Copy** **Copy** icon, make changes, name the report and click **Save**.

2. To **Edit** an existing report click the **Edit** **Edit** icon, make changes, and click **Save**.

3. To **Share** reports with other users click the **Share** **Share** icon. The **Share Report** modal will open.

.
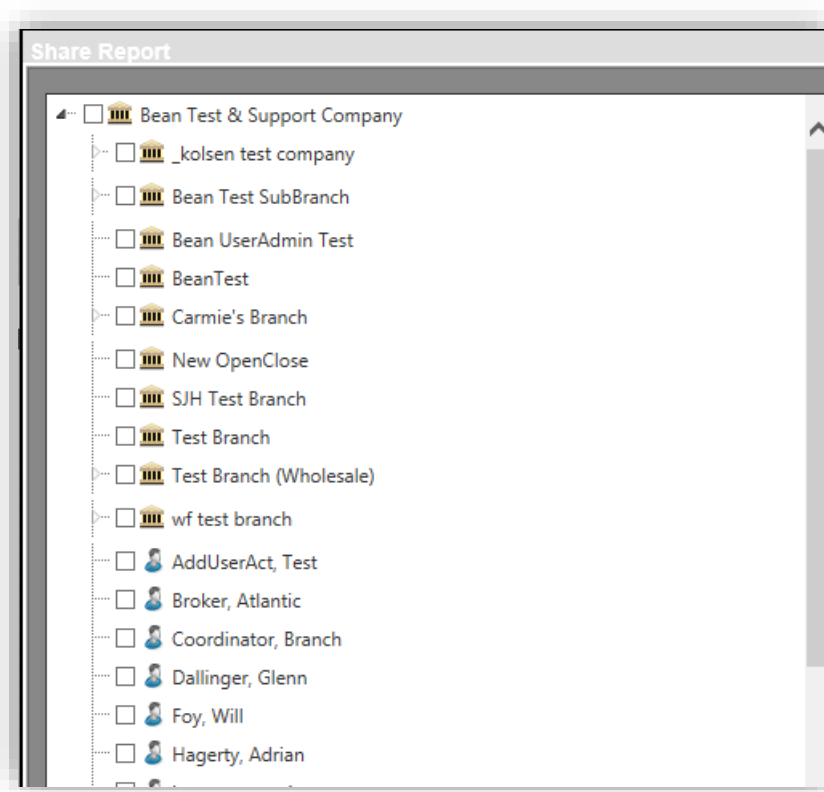
- Check **The Company** or **Branch** name to select all users in that company or branch, or

- Select **Individual Users**.

- Click **Share Report.**

4. When a user receives a shared report, s/he will not have the option to **Edit**, **Share**, or **Delete** it since s/he is not the author and owner of the report. However, the

user can **View** and/or **Copy** it as needed. If the user chooses **Copy**, the user becomes the author and owner of his/her own version.

5. To **Delete** a saved report click the Delete **Delete** icon. Deleted reports are permanently deleted and cannot be recovered.

Contacts

Overview

Contacts allows users to store information for third parties and service providers, and to associate that information with loans. **Contacts** can be created by an individual user for his/her own use or for all users in the **Originator/Branch Company**. **Lender users** can also create **Global Contacts** for all users in the system.

Note: **TRID** requires that third party vendor information is correct when preparing the **Closing Disclosure**. Using contacts helps to ensure compliant disclosures.

Accessing Contacts

1. Click **Contacts** on the **Left Navigation Software Center** menu.
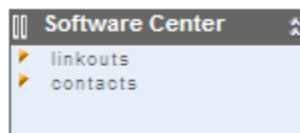
2. On the **Contacts** page, users can add **New Contacts** or manage existing ones.
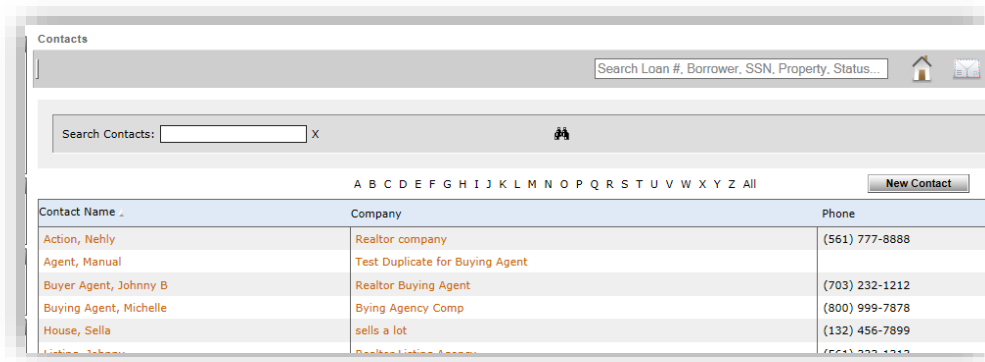
3. To locate an existing **Contact** users can
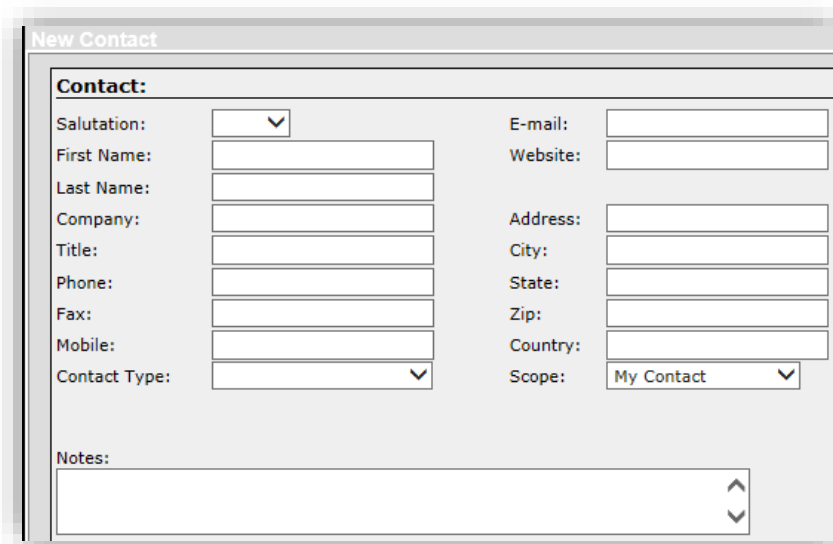
- Type a **Contact** name or company name in the search window.
- Sort the list by clicking on a letter on the top of the screen.

Creating Contacts

To create a contact, follow these steps.

Note: The information entered in the Contact template will be the default value for the contact but can be edited at the loan level.
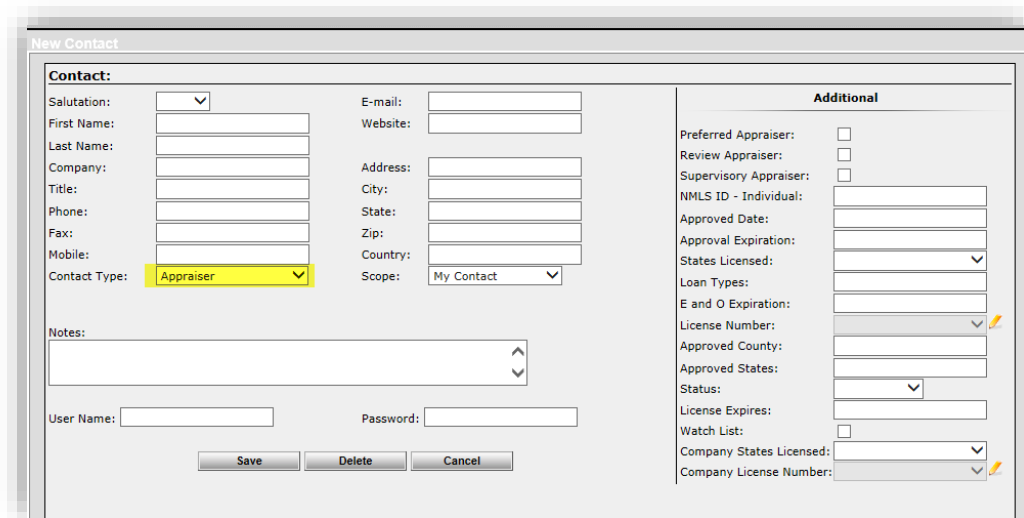
1. Click **New Contact**. The basic New Contact template will open.

12. Select the **Contact Type** to open the appropriate detailed template.

13. Complete the applicable fields for the **Contact Type**.

14. Select an available **Scope.**

    a. **My Contact** – creates a record only available only to that user. The user has the ability to edit his/her personal **Contact**.

    b. **Company Contact** – Creates a record that is available to all users in the **Origination Company**. **Level 1** users may create and edit **Company Contacts**.

    c. **Lender Side** – Creates a record that is available *only* to **Lender Side** users. **Lender Side** users or **System Administrators** may create it. It can *only* be edited by a **System Administrator**.

    d. **Global** – Creates a record that is available to *all* users, either **Originator** or **Lender** side. **Lender Side** users or **System Administrators** may create it. It can only be edited by a **System Administrator**.

15. **Level 1** users must select a **Scope**, either **My Contact** or **Company Contact**.

16. **Account Executive, Level 2,** and **Level 3** users do not have the option to select a scope, thus, any contacts s/he creates will only be available to use or edit by that user.

17. **Lender Users** and **System Administrators** must select a scope, either **My Contact, Lender Side** or **Global Contact.** A **Global Contact** will be available to all users of the system.

Country:
Scope: Make a selection...
    Global
    Lender Side
    My Contact
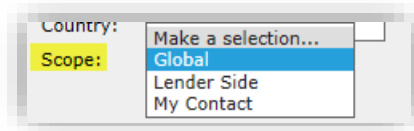
Note: *Only* **System Administrators** can **edit Lender Side** and **Global Contacts**

Editing or Deleting an Existing Contact

To Edit a Contact
1. Locate the contact
4. Click on the Contact Name or Company
5. Make changes
6. Click **Save or Delete**
7. **Click Cancel to discard changes**

Adding Contacts to a Loan File

Typically, **Origination Side** users will assign **Contacts** to a loan on the **Fees Worksheet** screen and the **Loan Info** screen, **Contact** tab; *or* via the **Loan Contacts** screen. The method for assigning **Contacts** is often determined based on **Origination Channel**. Users should consult with management as to the preferred workflow for his/her organization.

Note: Throughout the system the user will see the **Contact Lookup** icon [icon]. By clicking on the icon the user may select a **Contact** to add to the loan.

Selecting Contacts on Edit Fees Worksheet

To assign a contact as a **Provider/Payee** on **Edit Fees Worksheet** follow the steps below.

1. Click on the **Contact** lookup icon on the fee line.

Appraisal Fee	350.00	Service Provider ▾	
Credit Report	27.50	Service Provider ▾	
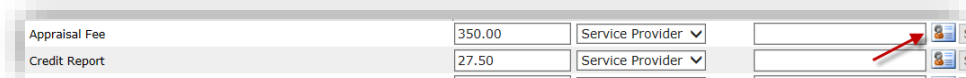
2. The **Contact** modal will open and default to the **All Contact** view, showing any **Contacts** the user has access to.

3. By selecting **Loan Contacts**, the user can narrow the list to any contacts that have been pre-selected for the loan by another user.

4. The corresponding **Contact** choices will load.
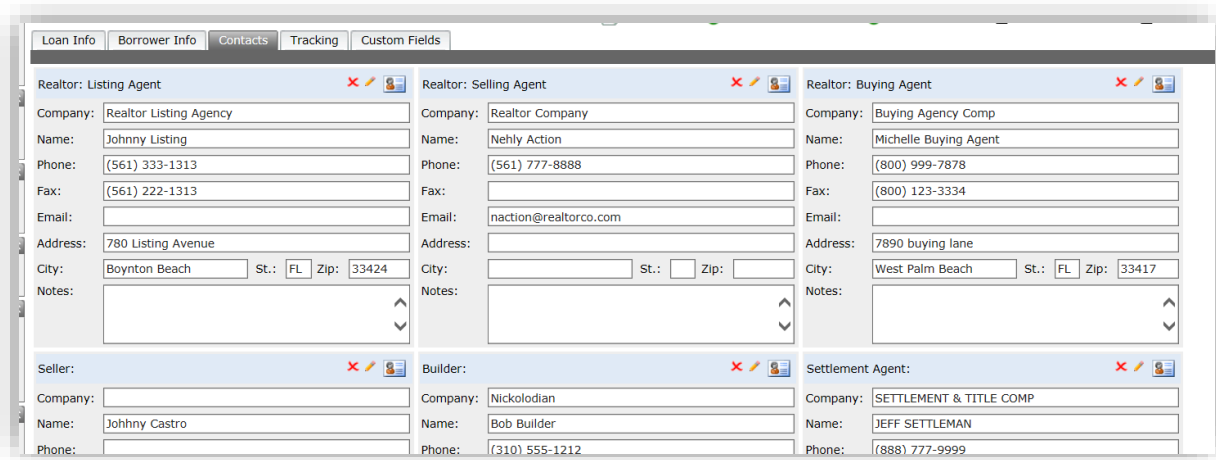
NAME	COMPANY	TITLE	CONTACT TYPE	PHONE
Appraiser, Joe	ABC Appraisal Services	Appraiser	Appraiser	(561) 123-4587
Appraiser, Jim	Appraisal Services	Appraiser	Appraiser	(777) 777-7777
Appraiser, George	Hagerty Home Appraiser	Appraiser	Appraiser	(561) 999-9999

5. Use Search Contacts if needed to find the desired Contact.

6. Flag the appropriate Contact and click Add Flagged to assign it to the loan.

ABC Appraisal Services	
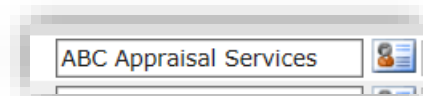
Selecting Contacts on the Loan Info Screen

The **Contacts** tab of the **Loan Info** screen allows the user to record the **Property Seller**, **Settlement Agent, Builder** and **Realtors** in the loan. The method to select the contact is the same as above.

The user has the ability to type the contact information directly on the screen but doing so will not create a **Contact**. Additionally, fields to capture the information such as license numbers, that are required for the **Closing Disclosure** compliance, are not available on the screen. Therefore, the user should create a **Contact** to enter all necessary information.

It is strongly suggested that the user create the contact using the method described above (e.g. select **Contacts** on the **Left Navigation Panel**). This will provide the user with the opportunity to select the same **Contact** when needed again.

The user can create the **Contact** by clicking on the **Edit Pencil** shown in the screenshot above, however, the **Contact** will only be available for that loan.

Loan Contacts

Loan Contacts allows users to add a group of **Contacts** to a loan so they are available to other users during the processing of the loan. Typically, this method is used by users who are not responsible for disclosing the loan. This may be Third Party Origination companies who submit loans to **Lenders** who underwrite and close loans in **OpenClose**.

To add a **Contact** to **Loan Contacts**, follow the steps below.

1. Choose **Loan Contacts** from the **Loan Actions** menu.
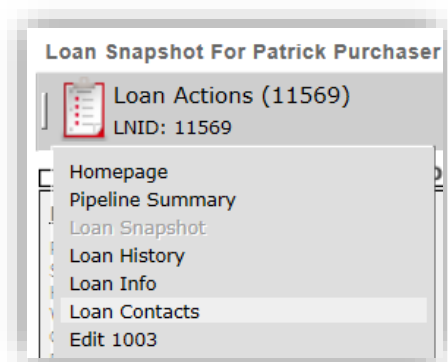
8. The View Loan Contacts screen will open.
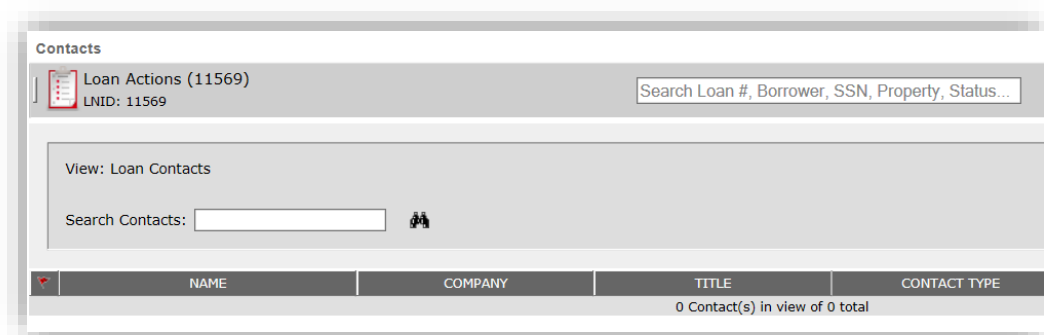
9. The user can type in the box to search for a contact or click on the search 🔍 icon to open a complete list of choices. This list will include any contacts the user has the right to view and use.
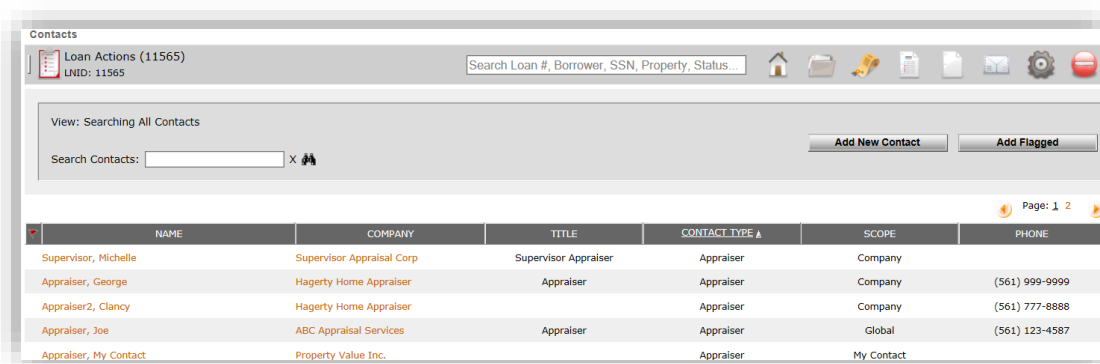
Note: The user can change the sort order of the list by clicking on a column heading.

10. Click in the 🚩 column next to the contact(s) you want to add.

11. Click **Add Flagged**.

12. A prompt confirming the action will appear.

13. Click **OK**. The selected contact(s) will be assigned to the loan.

14. Once contacts have been assigned to a loan they will appear on the screen when **Loan Contacts** is selected from the **Loan Action** Menu.

Note: The user can add a new contact to the available list by choosing **Add New Contact** on this screen.

Utilizing Loan Contacts

Once **Contacts** have been added to a loan other users may select a contact from the **Loan Contacts** short list. For example, a processor may need to select service provider contacts in order to prepare a **Loan Estimate**. By selecting the **Loan Contact** view when using the **Contact Lookup** 📇, s/he will be able to select from the short list of providers previously assigned to the loan.
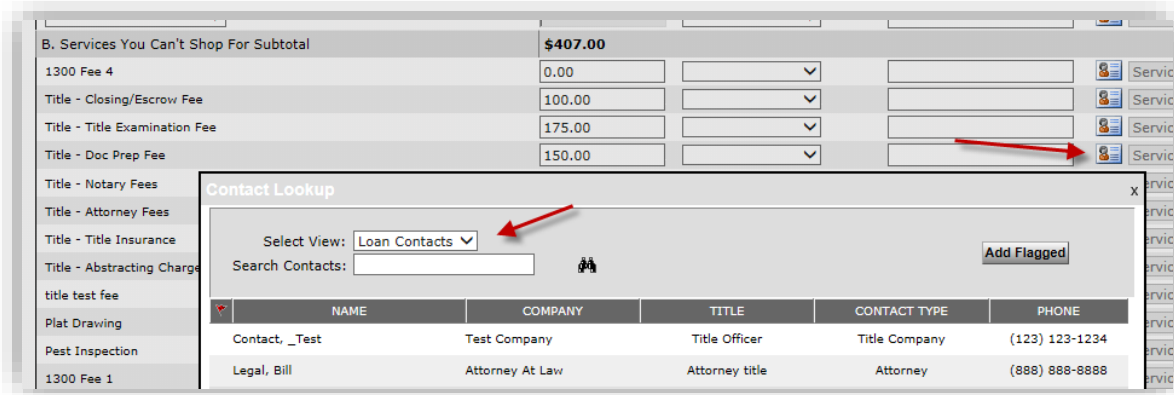
Deleting Contacts from Loan Contacts

To delete a contact from a loan file, follow the steps below.

1. Select the loan you wish to delete a contact from.

2. Choose **Loan Contacts** from the **Loan Actions** menu. A list of contacts assigned to the selected loan will appear.

3. Click in the 🚩 column next to the contact(s) you wish to delete.

4. Click **Remove Flagged.**

5. When prompted, click **OK** to confirm the action. The selected contact(s) will be deleted from the loan.

Note: The lender user manual is under construction and will be posted when completed.

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
1003-Proposed Housing Expense tab	• Proposed P&I and MI will populate. Add additional expenses	✓	✓
Freddie Tab	• Document Type	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  ○ Negative Amortization Indicator
	  ○ ARM Lifetime Cap %
	  ○ ARM Rate Adjustment Period
	  ○ ARM First Rate Adjustment Months
	  ○ ARM Subsequent Rate Adjustment Months
	  ○ ARM Rate Adjustment Periodic Cap %
	  ○ ARM Index Code
	  ○ ARM Initial Index Value
	  ○ ARM Index Margin
	  ○ ARM Qualifying Rate
		✓	N/A

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  ○ Fannie Product ID Plan
	  ○ Fannie ARM Index Type
		✓	N/A

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab – Purpose of Refi Dropdown Purpose Of Refinance: [dropdown] --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *NOT* running **DU** or **LPA**	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓
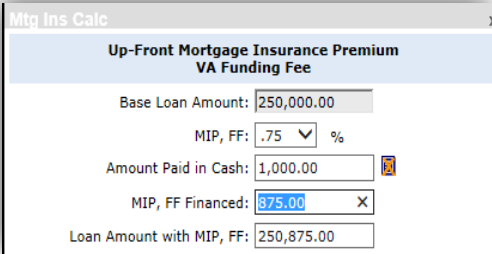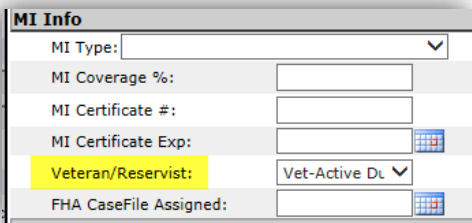
Automated Underwriting
1.2 Conventional Refinance
Primary Residence

Asset Tab – REO – Subject Property	- Add Subject Property Address - Assign a Unique REO Asset ID - Select the Property Type - Status: Retained - Current Residence - Subject Property: Yes - Complete: Market Value, Mortgage Amount, Payment - Add Total Monthly Insurance, Taxes Misc (if not part of current PITI) - Add $0.00 for Gross and Net Rental Income	✓	✓
Liability Tab – Primary Residence – Current Mortgage	- Match to Correct REO Asset ID - Paid at Closing: YES	✓	✓
Freddie Tab	- Document Type - Cash Out Amount if Applicable	N/A	✓
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Fannie Product ID Plan - Fannie ARM Index Type	✓	N/A

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator	• Add VA Funding Fee %	✓	✓
MI Calculator	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✓	✓
MI Info	• Veteran/Reservist • Select from the dropdown: Veteran, Vet-Active Duty, or Reservist (**required for some Doc Providers**)	**Not Required**	**Not Required**
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓

Government Tab	• Co-Borrower Married to Primary • Entitlement Amount • Borrower and Co-Borrower Federal Tax, State Tax and Other Tax, if applicable	✓	✓
Freddie Tab	• Document Type • Veteran Status • VA Residual Income	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Negative Amortization Indicator
	   o ARM Lifetime Cap %
	   o ARM Rate Adjustment Period
	   o ARM First Rate Adjustment Months
	   o ARM Subsequent Rate Adjustment Months
	   o ARM Rate Adjustment Periodic Cap %
	   o ARM Index Code
	   o ARM Initial Index Value
	   o ARM Index Margin
	   o ARM Qualifying Rate
		✓	N/A

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	N/A

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator	• Add VA Funding Fee %	✓	✓
MI Calculator Mtg Ins Calc **Up-Front Mortgage Insurance Premium** **VA Funding Fee** Base Loan Amount: 250,000.00 MIP, FF: .75 % Amount Paid in Cash: 1,000.00 MIP, FF Financed: 875.00 Loan Amount with MIP, FF: 250,875.00	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✓	✓
MI Info ⓘ MI Info MI Type: MI Coverage %: MI Certificate #: MI Certificate Exp: Veteran/Reservist: Vet-Active Du FHA CaseFile Assigned:	• Veteran/Reservist • Select from Dropdown: Veteran, Vet-Active Duty, or Reservist (**needed for some Doc Providers**)	**Not Required**	**Not Required**

		FNMA Purpose of Refinance Required	LPA Purpose of Refinance Required
Property Tab - Purpose of Refi Dropdown Purpose Of Refinance: --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *not* using **DU** or **LPA**		
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓
Asset Tab – REO – Subject Property	• Add Subject Property • Assign a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✓	✓
Liability Tab – Primary Residence – Current Mortgage	• Paid at Closing: YES • Match to the correct REO Asset ID	✓	✓
Government Tab	• Co-Borrower Married to Primary • Entitlement Amount • Borrower and Co-Borrower Federal Tax, State Tax and Other Tax, if Applicable	✓	✓
Government Tab	• Type of Refinance	✓	**Not Required**

Automated Underwriting
2.2 VA Refinance
Primary Residence

Freddie Tab	- Document Type - Veteran Status - VA Residual Income - Cash out amount if applicable	**N/A**	✔
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	**N/A**	✔
Fannie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Fannie Product ID Plan - Fannie ARM Index Type	✔	**N/A**

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: FHA	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete when obtained	✓	✓
MI Calculator 	• Add MIP and Monthly MI Factor	✓	✓
MI Calculator 	• If the MIP is to be paid in cash click the Calculator and enter the amount in Paid in Cash field.	✓	✓
MI Info 	• Complete applicable FHA fields	✓	✓
Borrower Info Tab - *Details Tab* 	• Home Buyer Counsel Type Required to Submit to AU. Select from dropdown on **1003-Borrower Info**-*Details tab*.	✓	✓
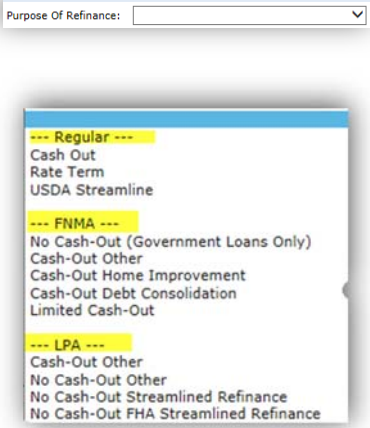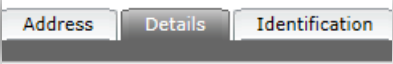
Automated Underwriting
3.1 FHA Purchase
Primary Residence

Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓
Government Tab	• Section of the Act	✓	✓
Freddie Tab	• Document Type	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Negative Amortization Indicator
	   o ARM Lifetime Cap %
	   o ARM Rate Adjustment Period
	   o ARM First Rate Adjustment Months
	   o ARM Subsequent Rate Adjustment Months
	   o ARM Rate Adjustment Periodic Cap %
	   o ARM Index Code
	   o ARM Initial Index Value
	   o ARM Index Margin
	   o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	N/A

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: **FHA**	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete when obtained	✓	✓
MI Calculator	• Add MIP and Monthly MI Factor	✓	✓
MI Calculator	• If the MIP is to be paid in cash, click the Calculator • Enter the amount in Paid in Cash field.	✓	✓
MI Info	• Complete applicable FHA fields	✓	✓

		FNMA Purpose of Refinance Required	LPA Purpose of Refinance Required
Property Tab Purpose of Refi Dropdown Purpose Of Refinance: [▼] --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *NOT* running **DU** or **LPA**		
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✔
Borrower Info Tab - *Details tab* [Address | Details | Identification]	• Home Buyer Counsel Type Required to Submit to AU. Select from dropdown on **Borrower Info Tab -*Details Tab*.**	✔	✔
Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✔	✔
Asset Tab - REO - Subject Property	• Add Subject Property Address • Assign a Unique REO Asset ID • Select the Property Type • Status: Retained • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc. (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✔	✔
Liability Tab - Subject Property - Current Mortgage	• Paid at Closing: YES • Match to the correct REO Asset ID	✔	✔

Automated Underwriting
3.2 FHA Refinance
Primary Residence

Government Tab	• Type of Refinance • Section of the Act	✓	✓
Freddie Tab	• Document Type • Cash Out Amount if Applicable	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	**N/A**

Automated Underwriting
4.1 Conventional Purchase
Primary Residence
With Rental Property

Borrower has Positive or Negative Rental Income

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓
Asset Tab – REO – Rental Properties	• Add Addresses for Rental Properties • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Rental • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add Gross Rental Income • Complete Occupancy Rate • System will Calculate Net Rental Income	✓	✓
Income Tab	• Add the total positive or negative net rent • Income Type: Net Rental Income	✓	✓

Liability Tab – Rental REO – Mortgages	• Identify or add the mortgage for the rental property • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓
Freddie Tab	• Document Type	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Negative Amortization Indicator
	   o ARM Lifetime Cap %
	   o ARM Rate Adjustment Period
	   o ARM First Rate Adjustment Months
	   o ARM Subsequent Rate Adjustment Months
	   o ARM Rate Adjustment Periodic Cap %
	   o ARM Index Code
	   o ARM Initial Index Value
	   o ARM Index Margin
	   o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	N/A

Borrower has Positive or Negative Rental Income

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from Regular if *NOT* running **DU** or **LPA**	**FNMA Purpose of Refinance Required**	LPA Purpose of Refinance Required
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add Additional Expenses	✓	✓

Automated Underwriting
4.2 Conventional Refinance
Primary Residence
With Rental Property

Asset Tab – REO – Subject Property – Primary Residence	- Add Subject Property Address - Assign a Unique REO Asset ID - Select the Property Type - Status: Retained - Current Residence - Subject Property: Yes - Complete the Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes, Misc. (if not part of the current PITI) - Add $0.00 for Gross and Net Rental Income	✓	✓
Asset Tab - REO - Rental Properties	- Add Addresses for Rental Properties - Assign Each a Unique REO Asset ID - Select the Property Type - Status: Rental - Not Current Residence - Subject Property: NO - Complete the Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes, Misc (if not part of the current PITI) - Add Gross Rental Income - System will Calculate Net Rental Income	✓	✓
Liability Tab - Primary Residence - Current Mortgage	- Add the Correct REO Asset ID - Paid at Closing: YES	✓	✓
Liability Tab – Rental REO - Mortgages	- Identify Mortgages for Rental Properties - Add the correct REO Asset ID - Check Omit Monthly Payment - Paid at Closing: No	✓	✓
Income Tab	- Add the total Positive or Negative Net Rent - Income Type: Net Rental Income	✓	✓

Freddie Tab	• Document Type • Cash out amount if applicable	N/A	✓
Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete: o Negative Amortization Indicator o ARM Lifetime Cap % o ARM Rate Adjustment Period o ARM First Rate Adjustment Months o ARM Subsequent Rate Adjustment Months o ARM Rate Adjustment Periodic Cap % o ARM Index Code o ARM Initial Index Value o ARM Index Margin o ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete: o Fannie Product ID Plan o Fannie ARM Index Type	✓	N/A

Automated Underwriting
5.1 VA Purchase
Primary Residence
With Rental Property

With Positive or Negative Rental Income

Note: VA Borrowers may own rental property. Positive or negative rental income *must* be documented on the VA Loan Summary and Loan Analysis Forms. Follow the data entry method below so ratios in OpenClose, DU or LPA and the forms are correct. See **VA Loan Addendum G** for additional steps for VA forms and more information.

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✔	✔
Agency Case #	• Complete with LIN # when obtained	✔	✔
MI Calculator	• Add VA Funding Fee %	✔	✔
MI Calculator	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✔	✔

MI Info	• Select from Dropdown: Veteran, Vet-Active Duty, or Reservist (**needed for some Doc Providers**)	**Not Required**	**Not Required**
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓
Income Tab	• **Do Not** Enter Income from Rental Property	✓	✓
Asset Tab - REO - Rental Properties	• Add Addresses for Rental Properties • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Rental • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add Gross Rental Income • Complete Occupancy Rate • System will Calculate Net Rental Income	✓	✓
Liability Tab – Rental REO - Mortgages	• Identify or add the mortgage for the rental property • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓

Liability Tab – Negative Rent Liability	• *If* Monthly Rental Income *Negative* Add a Liability for it • Liability type: **Other** • Check **Omit** the Payment is *Not* consider in the OC, DU or LPA ratio calculations	✓	✓
Liability Tab – Negative Rent Liability	• Adding the Liability is *Necessary* for the **VA Loan Summary Sheet Ratio Calculation** • **See Addendum G – VA Loans** for more information	✓	✓
Income Tab	• *Do Not* Enter Any Income for Rental Property	✓	✓
Government Tab	• Co-Borrower Married to Primary • Entitlement Amount • Borrower and Co-Borrower Federal Tax, State Tax and Other Tax, if applicable	✓	✓
Freddie Tab	• Document Type • Veteran Status • VA Residual Income	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	N/A

Automated Underwriting
5.2 VA Refinance
Primary Residence
With Rental Property

With Positive or Negative Rental Income

Note: VA Borrowers may own rental property. Positive or negative rental income *must* be documented on the VA Loan Summary and Loan Analysis Forms. Follow the data entry method below so ratios in OpenClose, DU or LPA and the forms are correct. See **VA Loan Addendum G** for additional steps for VA forms and more information.

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator 	• Add VA Funding Fee %	✓	✓
MI Calculator **Mtg Ins Calc** Up-Front Mortgage Insurance Premium VA Funding Fee Base Loan Amount: 250,000.00 MIP, FF: .75 % Amount Paid in Cash: 1,000.00 MIP, FF Financed: 875.00 Loan Amount with MIP, FF: 250,875.00	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✓	✓

MI Info	• Veteran/Reservist • Select from Dropdown: Veteran, Vet-Active Duty, or Reservist (**needed for some Doc Providers**)	**Not Required**	**Not Required**
Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from Regular if *not* using **DU** or **LPA**	**FNMA** Purpose of Refinance Required	**LPA** Purpose of Refinance Required
Property Tab	• Year Acquired • Original Cost • Existing Liens	Not Required	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓

Asset Tab - REO - Subject Property	• Add Subject Property • Assign a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✓	✓
Asset Tab - REO - Rental Properties	• Add Addresses for Rental Properties • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Rental • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add Gross Rental Income • Complete Occupancy Rate • System will Calculate Net Rental Income	✓	✓
Liability Tab - Primary Residence – Current Mortgage	• Identify or add the mortgage for the subject property • Add the correct REO Asset ID • Paid at Closing: YES • Add the correct REO Asset ID	✓	✓
Liability Tab – Rental REO - Mortgages	• Identify or add the mortgage for the rental property • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓

Automated Underwriting
5.2 VA Refinance
Primary Residence
With Rental Property

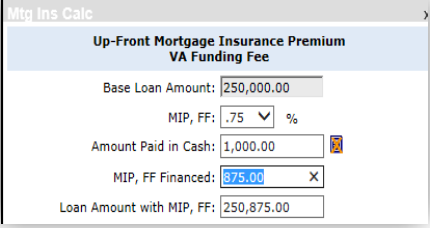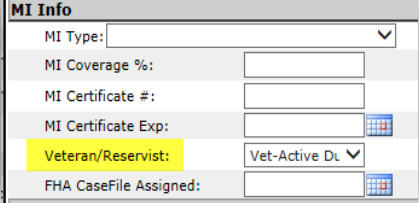|			
Liability Tab – Negative Rent Liability	*If* Monthly Rental Income *Negative* Add a Liability for it - Liability type: **Other** - Check **Omit** the Payment is *Not* consider in the OC, DU or LPA ratio calculations	✓	✓
Liability Tab – Negative Rent Liability	- Adding the Liability is **Necessary** for the **VA Loan Summary Sheet Ratio Calculation** **See Addendum G – VA Loans**	✓	✓
Income Tab	*Do Not* Enter Any Income for Rental Property	✓	✓
Government Tab	- Co-Borrower Married to Primary - Entitlement Amount - Borrower and Co-Borrower Federal Tax, State Tax and Other Tax, if applicable	✓	✓
Freddie Tab	- Document Type - Veteran Status - VA Residual Income - Cash out amount if applicable	N/A	✓
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Fannie Product ID Plan - Fannie ARM Index Type	✓	N/A

Automated Underwriting
6.1 FHA Purchase
Primary Residence
With Retained Rental Property

<u>With Positive or Negative Rental Income</u>

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: FHA	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete with when obtained	✓	✓
MI Calculator 🖩	• Add MIP and Monthly MI Factor	✓	✓
MI Calculator Mtg Ins Calc **Up-Front Mortgage Insurance Premium** **VA Funding Fee** Base Loan Amount: 265,000.00 MIP, FF: 1.75 % Amount Paid in Cash: 0.50 MIP, FF Financed: 4,637.00 Loan Amount with MIP, FF: 269,637.00	• The system will populate the amount paid in cash so the Loan Amount with MIP will be a whole number. • If any additional portion of the MIP is to be paid in cash click the Calculator and enter the total amount in Paid in Cash field.	✓	✓
Borrower Info Tab Address · Details · Identification	• Home Buyer Counsel Type Required to Submit to AU. Select from dropdown on **Borrower Info Tab** *-Details Tab*.	✓	✓
Income Tab	• **Do not** enter income from rental property	✓	✓
Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓

Automated Underwriting
6.1 FHA Purchase
Primary Residence
With Retained Rental Property

Asset Tab - REO - Rental Properties	• Add Addresses for Rental Properties • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Rental • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI)	✓	✓
Asset Tab - REO - Rental Properties	• Add Gross Rental Income • Complete Occupancy Rate • System will Calculate Net Rental Income	✓	✓
Liability Tab - REO Mortgages	• Identify or add the mortgage for each rental property • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓
Government Tab	• Section of the Act	✓	✓
Freddie Tab	• Document Type	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	**N/A**

Automated Underwriting
6.2 FHA Refinance
Primary Residence
With Rental Property

With Positive or Negative Rental Income

Edit 1003	OpenClose	DU	LPA
Edit 1003 Types & Terms	• Loan Type: FHA	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator	• Add VA Funding Fee %	✓	✓
MI Calculator Up-Front Mortgage Insurance Premium VA Funding Fee Base Loan Amount: 265,000.00 MIP, FF: 1.75 % Amount Paid in Cash: 0.50 MIP, FF Financed: 4,637.00 Loan Amount with MIP, FF: 269,637.00	• The system will populate the amount paid in cash so the Loan Amount with MIP will be a whole number. • If any additional portion of the MIP is to be paid in cash click the Calculator and enter the total amount in Paid in Cash field.	✓	✓
Borrower Info Tab Address Details Identification	• Home Buyer Counsel Type Required to Submit to AU. Select from dropdown on **Borrower Info Tab - *Details Tab*.**	✓	✓
Property Tab Purpose of Refi Dropdown	• Select a Purpose of Refinance from Regular if *not* running DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓

Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓	✓
Asset Tab - REO - Subject Property	• Add Subject Property • Assign a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✓	✓
Asset Tab - REO - Rental Properties	• Add Addresses for Rental Properties • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Rental • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI) • Add Gross Rental Income • Complete Occupancy Rate • System will Calculate Net Rental Income	✓	✓
Liability Tab - Primary Residence – Current Mortgage	• Identify or add the mortgage for the subject property • Add the correct REO Asset ID • Paid at Closing: Yes	✓	✓
Liability Tab – Rental REO - Mortgages	• Identify or add the mortgage for the rental property • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓

If the borrower owns Non-Income Property (Second Home or Land)	• Follow steps for Non-Income property on Conventional Primary Residence with Non-Income Property chart # 7.2	✓	✓
Income Tab	• *Do Not* Enter Any Income for Rental Property	✓	✓
Government Tab	• Section of the Act	✓	✓
Government Tab	• Type Of Refinance	✓	**Not Required**
Freddie Tab	• Document Type • Cash out amount if applicable	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	**N/A**

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab	• Secondary Residence	✓	✓
Housing Expense Tab	• **Proposed** P&I and MI will populate • Add additional expenses • Enter **Primary** housing expenses on the right.	✓	✓
Asset Tab - REO - Primary Residence	• Add Primary Residence Address • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI)	✓	✓
Liability Tab - Primary Residence Mortgage	• Identify or add mortgage • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓
Primary Residence Taxes and Expenses	• If Taxes, Ins and Misc. not included in the monthly mortgage payment create a liability for it. • Liability type: Taxes • Add monthly payment amount • Add more than 10 months due • Add balance more than 10 months of payments • Check Omit Monthly Payment • Paid at Closing: No	✓	N/A

Automated Underwriting
7.1 Conventional Purchase
Second Home

If the borrower owns rental property	• Follow steps on Conventional Primary Residence with Rental Property chart # 4.1	✓	✓
Freddie Tab	• Document Type	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Negative Amortization Indicator
	   o ARM Lifetime Cap %
	   o ARM Rate Adjustment Period
	   o ARM First Rate Adjustment Months
	   o ARM Subsequent Rate Adjustment Months
	   o ARM Rate Adjustment Periodic Cap %
	   o ARM Index Code
	   o ARM Initial Index Value
	   o ARM Index Margin
	   o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	N/A

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab	• Occupancy: Secondary Residence	✓	✓
Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from the first group if not using DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• **Proposed** P&I and MI will populate • Add additional expenses • Enter **Primary** housing expenses on the right.	✓	✓

Asset Tab - REO - Primary Residence	• Add Primary Residence Address • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc (if not part of the current PITI)	✓	✓
Liability Tab - Primary Residence Mortgage	• Identify or add mortgage • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: No	✓	✓
Primary Residence Taxes and Expenses	• If Taxes, Ins and Misc. not included in the monthly mortgage payment create a liability for it. • Liability type: Taxes • Add monthly payment amount • Add more than 10 months due • Balance more than 10 months of payments • Check Omit Monthly Payment • Paid at Closing: No	✓	N/A
Asset Tab - REO - Subject Property	• Add Subject Property • Assign a Unique REO Asset ID • Select the Property Type • Status: Retained • Not Current Residence • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc. (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✓	✓

Automated Underwriting
7.2 Conventional Refinance
Second Home

Liability Tab - Subject Property Mortgage	• Identify or add mortgage • Add the correct REO Asset ID • Paid at Closing: YES	✓	✓
If the Borrower owns Rental Property	• Follow steps on Conventional Primary Residence with Rental Property chart # 4.2	✓	✓
Freddie Tab	• Document Type • Cash Out Amount if Applicable	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	N/A

Automated Underwriting
8.1 Conventional Purchase
with Retained Non-Investment Property

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓
Asset Tab - REO - Retained Non-Income Property	• Add 2nd home, land, or other non-income address • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Retained • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount • Add $0.00 Gross Rent	✓	✓
Retained Non-Income Property	• **Enter $0.00 Insurance, Taxes Misc. (even if not part of the current PITI)** • **Enter $0.00 for the Mortgage Payment**	✓	✓
Liability Tab - REO Mortgages for Non-Investment Property	• Identify or add the mortgage for each retained property • Add the correct REO Asset ID • *DO NOT Check* Omit Monthly Payment • Paid at Closing: No	✓	✓

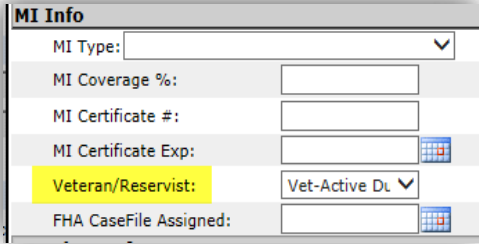|			
Retained Non-Income Property - Taxes and Expenses	- If Taxes, Ins and Misc. are not included in the monthly mortgage payment create a liability for it. - Liability type: Taxes - Add monthly payment amount - Add more than 10 months due - Balance m 10 months ***DO NOT Check*** Omit Monthly Payment - Paid at Closing: No	✓	✓
Freddie Tab	Document Type	N/A	✓
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Fannie Product ID Plan - Fannie ARM Index Type	✓	N/A
If Borrower Owns Rental Property	Follow steps on Conventional Primary Residence with Rental Property chart # 4.1	✓	✓

Automated Underwriting
8.2 Conventional Refinance
with Retained Non-Investment Property

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from the first group if not using DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	✓	✓
Housing Expense Tab	• **Proposed** P&I and MI will populate • Add additional expenses • Enter **Primary** housing expenses on the right.	✓	✓

Asset Tab - REO - Primary Residence	• Add Primary Residence Address • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Retained • Current Residence • Subject Property: Yes • Complete the Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes, Misc. (if not part of the current PITI) • Add $0.00 for Gross and Net Rental Income	✓	✓
Liability Tab - Primary Residence Mortgage	• Identify or add mortgage • Add the correct REO Asset ID • Check Omit Monthly Payment • Paid at Closing: Yes	✓	✓
Asset Tab - REO - Retained Non-Income Property	• Add 2nd home, land, or other non-Investment address • Assign Each a Unique REO Asset ID • Select the Property Type • Status: Retained • Not Current Residence • Subject Property: NO • Complete the Market Value, Mortgage Amount • Add $0.00 Gross Rent	✓	✓
Retained Non-Income Property	• Enter $0.00 Insurance, Taxes Misc. (even if not part of the current PITI) • Enter $0.00 for the Mortgage Payment	✓	✓
Liability Tab - REO Mortgages for Non-Investment Property	• Identify or add the mortgage for each retained property • Add the correct REO Asset ID • *DO NOT Check* Omit Monthly Payment • Paid at Closing: No	✓	✓

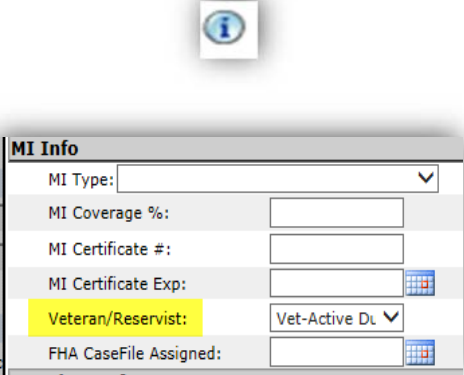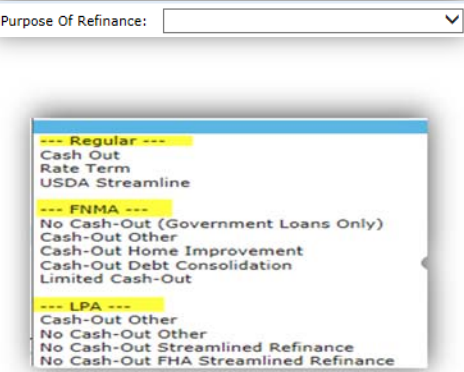|			
Freddie Tab	• Document Type • Cash Out Amount if Applicable	✓	✓
Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete: o Negative Amortization Indicator o ARM Lifetime Cap % o ARM Rate Adjustment Period o ARM First Rate Adjustment Months o ARM Subsequent Rate Adjustment Months o ARM Rate Adjustment Periodic Cap % o ARM Index Code o ARM Initial Index Value o ARM Index Margin o ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete: o Fannie Product ID Plan o Fannie ARM Index Type	N/A	✓
If Borrower Owns Rental Property	• Document Type • Cash Out Amount if Applicable	✓	✓

Automated Underwriting
9.1 Conventional Purchase
Investment Property

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab	• Occupancy: Investment • Proposed Net Rental Income Calculator will appear	✓	✓
Property Tab - Proposed Net Rental Income Calculator	• Click Calculator to open • Proposed PITI will populate. • Enter gross rent and occupancy rate. • Subject Property Net Cash Flow will calculate. • Save in the calculator	✓	✓
Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses • Enter Primary Housing Expenses to the right	✓	✓
Income Tab	• Add the *proposed* positive or negative net rent • Type: Subject Property Net Cash Flow	✓	✓

Automated Underwriting
9.1 Conventional Purchase
Investment Property

Asset Tab - REO - Primary Residence	- Add Primary Residence Address - Assign a Unique REO Asset ID - Select the Property Type - Status: Retained - Current Residence - Subject Property: NO - Complete the Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes Misc. (if not part of the current PITI)	✓	✓
Liability Tab - Primary Residence Mortgage	- Identify or add mortgage - Add the correct REO Asset ID - Check Omit Monthly Payment - Paid at Closing: No	✓	✓
Primary Residence Taxes and Expenses	- If Taxes, Ins and Misc. not included in the monthly mortgage payment create a liability for it. - Liability type: Taxes - Add monthly payment amount with # of months and balance of more than 10 months - Check Omit Monthly Payment	✓	**N/A**
Freddie Tab	Document Type Code	**N/A**	✓
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	**N/A**	✓

Automated Underwriting
9.1 Conventional Purchase
Investment Property

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	**N/A**

If Borrower owns Non-Income Property	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab	• Occupancy: Investment	✓	✓
Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from the first group if not using DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• **Proposed** P&I and MI will populate • Add additional expenses • Enter **Primary** Housing Expenses to the right	✓	✓

Asset Tab - REO - Primary Residence	- Add Primary Residence Address - Assign a Unique REO Asset ID - Select the Property Type - Status: Retained - Current Residence - Subject Property: NO - Complete the Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes Misc. (if not part of the current PITI)	✓	✓
Liability Tab - Primary Residence Mortgage	- Identify or add mortgage - Add the correct REO Asset ID - Check Omit Monthly Payment - Paid at Closing: No	✓	✓
Primary Residence Taxes and Expenses	- If Taxes, Ins and Misc. not included in the monthly mortgage payment create a liability for it. - Liability type: Taxes - Add monthly payment amount - Add more than 10 months due - Balance more than 10 months of payments - Check Omit Monthly Payment - Paid at Closing: No	✓	**N/A**
Asset Tab - REO - Subject Property	- Add Subject Property - Assign a Unique REO Asset ID - Select the Property Type - Status: Rental - Not Current Residence - Subject Property: Yes - Complete the Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes, Misc. (if not part of the current PITI) - Add amount of gross rent *Current* Net Rental Income will calculate - Proposed Net Rental Income Calculator will appear	✓	✓

Asset Tab - REO - Subject Property Proposed Net Rental Income Calculator	• Click Calculator to open • Proposed PITI will populate. • Enter gross rent and occupancy rate. • Subject Property Net Cash Flow will calculate. • Save in the calculator	✓	✓
Income Tab	• Add the *proposed* positive or negative net rent • Type: Subject Property Net Cash Flow	✓	✓
Liability Tab Subject Property Current Mortgage	• Identify or add mortgage • Add the correct REO Asset ID • Paid at Closing: YES	✓	✓
Freddie Tab	• Document Type • Cash Out Amount if Applicable	N/A	✓
Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete: ○ Negative Amortization Indicator ○ ARM Lifetime Cap % ○ ARM Rate Adjustment Period ○ ARM First Rate Adjustment Months ○ ARM Subsequent Rate Adjustment Months ○ ARM Rate Adjustment Periodic Cap % ○ ARM Index Code ○ ARM Initial Index Value ○ ARM Index Margin ○ ARM Qualifying Rate	N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	N/A

If the Borrower owns Non-Income Property	• Follow applicable steps on Conventional Primary Residence Refinance with Retained Non-Income Property chart # 8.2	✓	✓
If the Borrower owns other Rental Property	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 4.2	✓	✓
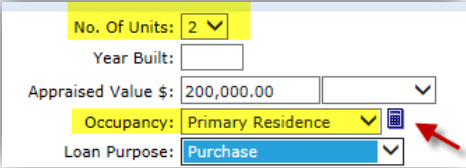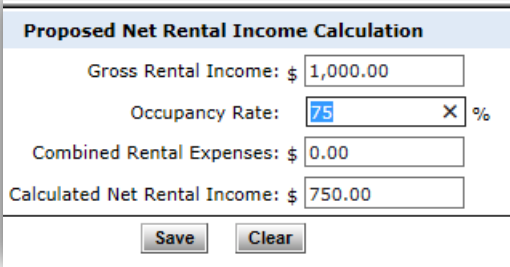
Automated Underwriting
10.1 Conventional Purchase
Primary
2-4 Unit Property

Rental Income from Subject

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator 🖩	• Complete if the loan requires MI	✓	✓
Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Purchase	✓	✓
Property Tab **Proposed Net Rental Income Calculator** No. Of Units: 2 ▼ Year Built: Appraised Value $: 200,000.00 ▼ Occupancy: Primary Residence ▼ 🖩 ← Loan Purpose: Purchase ▼ **Proposed Net Rental Income Calculation** Gross Rental Income: $ 1,000.00 Occupancy Rate: 75 ✕ % Combined Rental Expenses: $ 0.00 Calculated Net Rental Income: $ 750.00 [Save] [Clear]	• Combined rental expenses will populate as $0.00. • The proposed housing expense will be the borrower's primary housing expense, therefore, it is already included in the borrower's ratios. • If using rental income to qualify the borrower enter gross rent and occupancy rate. Subject Property Net Cash Flow will calculate. Save in the calculator.	✓	✓
Housing Expense tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓

Edit 1003 - Income tab – *Positive Income only*	- Add subject property net rental income, only if positive. - Income type: **Subject Property Net Cash Flow**	✓	✓
Freddie Tab	Document Type Code	N/A	✓
Freddie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Negative Amortization Indicator - ARM Lifetime Cap % - ARM Rate Adjustment Period - ARM First Rate Adjustment Months - ARM Subsequent Rate Adjustment Months - ARM Rate Adjustment Periodic Cap % - ARM Index Code - ARM Initial Index Value - ARM Index Margin - ARM Qualifying Rate	N/A	✓
Fannie Tab – ARM Loans	- When Loan is an **ARM** Complete: - Fannie Product ID Plan - Fannie ARM Index Type	✓	N/A
If Borrower owns Non-Income Property	Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	Follow steps on Conventional Primary residence with Rental Property chart # 4.1	✓	✓
Freddie Tab	Document Type Code	N/A	✓

Rental Income from Subject

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: Conventional	✓	✓
MI Calculator	• Complete if the loan requires MI	✓	✓
Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Refinance	✓	✓
Property Tab - Purpose of Refi Dropdown Purpose Of Refinance: --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *not* running DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓

Automated Underwriting
10.2 Conventional Refinance
Primary Residence
2-4 Unit Property

Asset Tab - REO - Subject Property	- Add 2-4 Unit Primary Residence Address - Assign a Unique REO Asset ID - Select the Property Type **Status: Rental** - Current Residence - Subject Property: YES - Complete current Market Value, Mortgage Amount, Payment - Complete Insurance, Taxes Misc. (if not part of the current PITI) - Add Current Gross Rent and *current* Net Rental Income will calculate *(this is not the income after the refinance)*	✓	✓
Asset Tab - REO - Proposed Net Rental Income Calculator 	- Combined rental expenses will populate as $0.00. - The proposed housing expense will be the borrower's primary housing expense, therefore, it is already included in the borrower's ratios. - If using rental income to qualify the borrower enter gross rent and occupancy rate. Subject Property Net Cash Flow will calculate. Save in the calculator.	✓	✓
Income tab – Positive Proposed Net Rental Income only	- Add Proposed Subject Property Net Rental Income *Only* if Positive - Income type: **Subject Property Net Cash Flow**	✓	✓
Liability Tab - Subject Property - Current Mortgage	- Paid at Closing: YES - Match to the correct REO Asset ID	✓	✓
Freddie Tab	- Document Type - Cash Out Amount if Applicable	N/A	✓

Automated Underwriting
10.2 Conventional Refinance
Primary Residence
2-4 Unit Property

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✔

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✔	**N/A**

If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✔	✔
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✔	✔

Automated Underwriting
11.1 VA Purchase
Primary Residence
2-4 Unit Property

With Positive or Negative Rental Income

Note: VA Borrowers may own rental property. Positive or negative rental income *must* be documented on the VA Loan Summary and Loan Analysis Forms. Follow the data entry method below so ratios in OpenClose, DU or LPA and the forms are correct. See **VA Loan Addendum G** for additional steps for VA forms and more information.

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator	• Add VA Funding Fee %	✓	✓
MI Calculator Mtg Ins Calc — Up-Front Mortgage Insurance Premium VA Funding Fee; Base Loan Amount: 265,000.00; MIP, FF: 1.00 %; Amount Paid in Cash: 2,650.00; MIP, FF Financed: 0.00; Loan Amount with MIP, FF: 265,000.00	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✓	✓
MI Info MI Info — MI Type:; MI Coverage %:; MI Certificate #:; MI Certificate Exp:; Veteran/Reservist: Vet-Active Du; FHA CaseFile Assigned:	• Veteran/Reservist • Select from Dropdown: Veteran, Vet-Active Duty, or Reservist (**needed for some Doc Providers**)	**Not Required**	**Not Required**

Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Purchase	✓	✓
Property Tab **Proposed Net Rental Income Calculator** No. Of Units: 2 Year Built: Appraised Value $: 200,000.00 Occupancy: Primary Residence Loan Purpose: Purchase **Proposed Net Rental Income Calculation** Gross Rental Income: $ 1,000.00 Occupancy Rate: 75 % Combined Rental Expenses: $ 0.00 Calculated Net Rental Income: $ 750.00 Save Clear	• Combined rental expenses will populate as $0.00. • The proposed housing expense will be the borrower's primary housing expense, therefore, it is already included in the borrower's ratios. • If using rental income to qualify the borrower enter gross rent and occupancy rate. Subject Property Net Cash Flow will calculate. Save in the calculator. • **This is necessary to make the ratios correct in OpenClose.**	**N/A**	**N/A**
Housing Expense tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓
Edit 1003 - Income tab – _Positive Income only_	• If using rental income to qualify the borrower add subject property gross rental income. • Income type: **Subject Property Net Cash Flow**	✓	✓
Freddie Tab	• Document Type Code	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		N/A	✓

Automated Underwriting
11.1 VA Purchase
Primary Residence
2-4 Unit Property

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  ○ Fannie Product ID Plan
	  ○ Fannie ARM Index Type
		✓	**N/A**

If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓

Automated Underwriting
11.2 VA Refinance
Primary Residence
2-4 Unit Property

With Positive or Negative Rental Income

Note: VA Borrowers may own rental property. Positive or negative rental income *must* be documented on the VA Loan Summary and Loan Analysis Forms. Follow the data entry method below so ratios in OpenClose, DU or LPA and the forms are correct. See **VA Loan Addendum G** for additional steps for VA forms and more information.

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: VA	✓	✓
Agency Case #	• Complete with LIN # when obtained	✓	✓
MI Calculator	• Add VA Funding Fee %	✓	✓
MI Calculator	• If Funding Fee to be Paid in Cash click the Calculator • Enter Amount in Paid in Cash field	✓	✓
MI Info	• Veteran/Reservist • Select from Dropdown: Veteran, Vet-Active Duty, or Reservist (**needed for some Doc Providers**)	**Not Required**	**Not Required**

Automated Underwriting
11.2 VA Refinance
Primary Residence
2-4 Unit Property

Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Refinance	✓	✓
Property Tab - Purpose of Refi Dropdown Purpose Of Refinance: --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *not* running DU or LPA	**FNMA Purpose of Refinance Required**	**LPA Purpose of Refinance Required**
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Housing Expense tab	• Proposed P&I will populate. • Add additional expenses	✓	✓
Asset Tab - REO - Subject Property	• Add 2-4 Unit Primary Residence Address • Assign a Unique REO Asset ID • Select the Property Type • **Status: Rental** • Current Residence • Subject Property: **YES** • Complete current Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes Misc. (if not part of the current PITI) • Add Current Gross Rent • Make *current* Net Rental Income $0.00 *(this is not the income after the refinance)*	✓	✓

Automated Underwriting
11.2 VA Refinance
Primary Residence
2-4 Unit Property

Asset Tab **Proposed Net Rental Income Calculator** Net Rental Income 0.00 Calculate Proposed Net Rental Income x **Proposed Net Rental Income Calculation** Gross Rental Income: $ 1,500.00 Occupancy Rate: 100 % Combined Rental Expenses: $ 2,619.23 Calculated Net Rental Income: $ 1,500.00 Save Clear	• Combined rental expenses will populate the proposed PITI. • The proposed housing expense will be the borrower's primary housing expense; therefore, it is already included in the borrower's ratios. • If using rental income to qualify the borrower enter gross rent and occupancy rate. The proposed PITI will not be deducted from the gross rent. • Subject Property Net Cash Flow will calculate. Save in the calculator. • **This is necessary to make the ratios correct in OpenClose**.	**N/A**	**N/A**
Edit 1003 - Income tab – *Positive Income only*	• If using rental income to qualify the borrower add subject property gross rental income • Income type: **Subject Property Net Cash Flow** • This is necessary to show the income as **Subject Property Net Cash Flow** in the **AUS findings.**	✓	✓
Freddie Tab	• Document Type Code	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Negative Amortization Indicator
	   o ARM Lifetime Cap %
	   o ARM Rate Adjustment Period
	   o ARM First Rate Adjustment Months
	   o ARM Subsequent Rate Adjustment Months
	   o ARM Rate Adjustment Periodic Cap %
	   o ARM Index Code
	   o ARM Initial Index Value
	   o ARM Index Margin
	   o ARM Qualifying Rate
		N/A	✓

Automated Underwriting
11.2 VA Refinance
Primary Residence
2-4 Unit Property

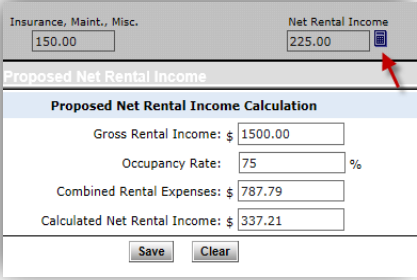|			

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Fannie Product ID Plan
	  o Fannie ARM Index Type
		✓	**N/A**

If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓

Rental Income from Subject

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: FHA	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete when obtained	✓	✓
1003 - Borrower Info Tab - Details tab 	• Home Buyer Counsel Type Required to Submit to AU. Select from dropdown on **1003-Borrower Info-Details tab**.	✓	✓
MI Calculator 	• Add MIP and Monthly MI Factor • If any portion of the MIP is to be paid in cash click the Calculator and enter the amount in Paid in Cash field.	✓	✓
MI Calculator 	• If the MIP is to be paid in cash, click the Calculator • Enter the amount in Paid in Cash field.	✓	✓

MI Info	• Complete applicable FHA fields	✓	✓
Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Purchase	✓	✓
Property Tab **Proposed Net Rental Income Calculator**	• Combined rental expenses will populate as $0.00. • The proposed housing expense will be the borrower's primary housing expense, therefore, it is already included in the borrower's ratios. • If using rental income to qualify the borrower enter gross rent and occupancy rate. Subject Property Net Cash Flow will calculate. Save in the calculator. • **This is necessary to make the ratios correct in OpenClose.**	N/A	N/A
Housing Expense tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓
Edit 1003 - Income tab – *Positive Income only*	• Add subject property net rental income, only if positive. • Income type: **Subject Property Net Cash Flow**	✓	✓
Government Tab	• Section of the Act	✓	✓
Freddie Tab	• Document Type Code	N/A	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   ○ Negative Amortization Indicator
	   ○ ARM Lifetime Cap %
	   ○ ARM Rate Adjustment Period
	   ○ ARM First Rate Adjustment Months
	   ○ ARM Subsequent Rate Adjustment Months
	   ○ ARM Rate Adjustment Periodic Cap %
	   ○ ARM Index Code
	   ○ ARM Initial Index Value
	   ○ ARM Index Margin
	   ○ ARM Qualifying Rate
		N/A	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   ○ Fannie Product ID Plan
	   ○ Fannie ARM Index Type
		✓	N/A

If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓

Rental Income from Subject

Edit 1003	OpenClose	DU	LPA
Types & Terms Tab	• Loan Type: **FHA**	✓	✓
FHA Loan Limit	• Auto Populates	✓	✓
Agency Case #	• Complete when obtained	✓	✓
MI Calculator	• Add MIP and Monthly MI Factor	✓	✓
MI Calculator	• The system will populate the amount paid in cash so the Loan Amount with MIP will be a whole number. • If any additional portion of the MIP is to be paid in cash click the Calculator and enter the total amount in Paid in Cash field.	✓	✓
Property Tab	• No of units: 2 - 4 • Occupancy: Primary • Purpose: Refinance	✓	✓

Automated Underwriting
12.2 FHA Refinance
Primary
2-4 Unit Property

		FNMA Purpose of Refinance Required	LPA Purpose of Refinance Required
Property Tab - Purpose of Refi Dropdown Purpose Of Refinance: [dropdown] --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance	• Select a Purpose of Refinance from Regular if *not* running DU or LPA		
Property Tab	• Year Acquired • Original Cost • Existing Liens	**Not Required**	✓
Borrower Info Tab - Details Tab [Address] [Details] [Identification]	• Home Buyer Counsel Type Required to Submit to AU • Select from dropdown on **1003-Borrower Info Tab -** *Details* Tab	✓	✓
Housing Expense Tab	• Proposed P&I and MI will populate. • Add additional expenses	✓	✓
Asset Tab - REO - Subject Property	• Add the 2-4 Unit Primary Residence Address • Assign a Unique REO Asset ID • Select Type of Property: Two-to-Four-Unit Prop. • Status: Retained • Current Residence • Subject Property: YES • Complete current Market Value, Mortgage Amount, Payment • Complete Insurance, Taxes Misc. (if not part of the current PITI) • Add the **Proposed** Subject Property Net Rental Income in the Net Rental Income Field ***Only*** if Positive	✓	✓

Income tab – Positive Income only	• Add Subject Property Net Rental Income *Only* if Positive • Income type: **Subject Property Net Cash Flow**	✓	✓
Liability Tab - Subject Property - Current Mortgage	• Paid at Closing: YES • Match to the correct REO Asset ID	✓	✓
If Borrower owns Non-Income Property (Second Home)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓
Government Tab	• Section of the Act	✓	✓
Government Tab	• Type Of Refinance	✓	**Not Required**
Freddie Tab	• Document Type • Cash Out Amount if Applicable	**N/A**	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  ○ Negative Amortization Indicator
	  ○ ARM Lifetime Cap %
	  ○ ARM Rate Adjustment Period
	  ○ ARM First Rate Adjustment Months
	  ○ ARM Subsequent Rate Adjustment Months
	  ○ ARM Rate Adjustment Periodic Cap %
	  ○ ARM Index Code
	  ○ ARM Initial Index Value
	  ○ ARM Index Margin
	  ○ ARM Qualifying Rate
		N/A	✓

Automated Underwriting
12.2 FHA Refinance
Primary
2-4 Unit Property

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓	**N/A**

If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓	✓
If Borrower owns other Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓	✓

LPA Automated Underwriting
13.1 Conventional Construction Perm
Purchase – Borrower Does Not Own the Lot
Primary Residence

Note: Freddie Mac – **Loan Product Advisor** – requires the Loan Purpose be either **Purchase** or **Refinance** when originating a Construction Loan.   **When the Borrower does not own the lot the Loan Purpose is Purchase.** See **Addendum C, Construction Loan Data Entry for Doc Providers**, for the purpose of generating documents for Construction Loans.   See Addendums 13.3 & 13.4 for information on entering data for DU.

Edit 1003	OpenClose	LPA
Edit 1003-Types & Terms Tab	• Loan Type: Conventional	✔
MI Calculator	• Complete if the loan requires MI	✔
Interest Only Flag Interest Only: ○ Yes ⦿ No	• Indicate Yes or No	✔

Construction Flag This is an OpenClose feature only. Construction Flag: ○ Yes ⦿ No	• When Yes:
	   o The loan can be closed and funded without being locked.
	   o The Loan officer is able to lock the loan after the loan is closed and funded
	   o Requires the loan to be locked before the field "Shipped to Investor" in the Post Closing screen can be filled in.
		N/A

Property Tab	• Occupancy: Primary Residence • Loan Purpose: Purchase	✔

1003-Proposed Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓
If the Borrower owns a Primary Residence that will be Retained During Construction	• Follow applicable steps on Conventional Investment Property chart # 9.1	✓
Details Tab	• Line A – Includes the price of the lot and the Cost of Construction (total contract price).	✓
Freddie Tab Proposed ▼ Construction Conversion ▼	• Document Type • Building Status: Select from the dropdown • Select Construction Conversion in the dropdown to the right	✓
Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete: ○ Negative Amortization Indicator ○ ARM Lifetime Cap % ○ ARM Rate Adjustment Period ○ ARM First Rate Adjustment Months ○ ARM Subsequent Rate Adjustment Months ○ ARM Rate Adjustment Periodic Cap % ○ ARM Index Code ○ ARM Initial Index Value ○ ARM Index Margin ○ ARM Qualifying Rate	✓
If Borrower owns Non-Income Property (Second Home, Land)	• Follow steps for non-income property on Conventional Primary Residence with Non-Income Property chart #8.1	✓
If Borrower owns Rental Property	• Follow steps for rental property on Conventional Primary Residence with Rental Property chart #4.1	✓

LPA Automated Underwriting
13.2 Conventional Construction Perm
Refinance – Borrower Owns the Lot
Primary Residence

Note: Freddie Mac – **Loan Product Advisor** – requires the **Loan Purpose** be either **Purchase** or **Refinance** when originating a Construction Loan. **When the Borrower owns the lot the Loan Purpose is Refinance**.   See **Addendum C, Construction Loan Data Entry for Doc Providers**, for data input for the purpose of generating documents for Construction Loans**.**   See Addendums 13.3 & 13.4 for information on entering data for DU.

Edit 1003	OpenClose	LPA
Edit 1003-Types & Terms Tab	• Loan Type: Conventional	✔
MI Calculator	• Complete if the loan requires MI	✔
Interest Only Flag Interest Only: ○ Yes ◉ No	• Indicate Yes or No	✔

Construction Flag
 	
This is an OpenClose feature only**.**
 	
Construction Flag: ○ Yes ◉ No
	• When Yes:
	  o The loan can be closed and funded without being locked.
	  o The Loan officer is able to lock the loan after the loan is closed and funded
	  o Requires the loan to be locked before the field "Shipped to Investor" in the Post Closing screen can be filled in.
		N/A

Property Tab	• Occupancy: Primary Residence • Loan Purpose: Refinance • Year Acquired • Original Cost • Existing Liens • Improvements Made or To Be Made • Cost of Improvements • Describe	✔

Property Tab - Purpose of Refi Dropdown	• Select a Purpose of Refinance from Regular if *NOT* running **DU** or **LPA**	**Select an LPA Purpose of Refinance**
Purpose Of Refinance: [dropdown] --- Regular --- Cash Out Rate Term USDA Streamline --- FNMA --- No Cash-Out (Government Loans Only) Cash-Out Other Cash-Out Home Improvement Cash-Out Debt Consolidation Limited Cash-Out --- LPA --- Cash-Out Other No Cash-Out Other No Cash-Out Streamlined Refinance No Cash-Out FHA Streamlined Refinance		
1003-Proposed Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✔
Asset Tab – REO – Subject Property – Lot	• Add Subject Property Address • Assign a Unique REO Asset ID • Property Type: Land • Status: Retained • Not Current Residence • Subject Property: Yes • Complete: Market Value, Mortgage Amount, Payment • Add Total Monthly Insurance, Taxes Misc (if not part of current PITI) • Add $0.00 for Gross and Net Rental Income	✔
Liability Tab - Current Mortgage on Lot If Applicable	• Match to Correct REO Asset ID • Paid at Closing: YES if applicable	✔
Details Tab	• Line B - Alterations, Improvements, Repairs: Cost of Construction	✔

Freddie Tab Proposed ⌄ Construction Conversion ⌄	• Document Type • Building Status: Select from the dropdown • Select Construction Conversion in the dropdown to the right	✓

Freddie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	  o Negative Amortization Indicator
	  o ARM Lifetime Cap %
	  o ARM Rate Adjustment Period
	  o ARM First Rate Adjustment Months
	  o ARM Subsequent Rate Adjustment Months
	  o ARM Rate Adjustment Periodic Cap %
	  o ARM Index Code
	  o ARM Initial Index Value
	  o ARM Index Margin
	  o ARM Qualifying Rate
		✓

If the Borrower owns a Primary Residence	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 9.2	✓
If the Borrower owns Rental Property	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 4.2	✓
If the Borrower owns Non-Income Property	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 4.2	✓

DU Automated Underwriting
13.3 Conventional Construction Loan
One Contract for:
Purchase of the Lot and Cost of Construction
Primary Residence

Note: In this scenario the borrower is purchasing the lot from the builder.   See **Addendum C, Construction Loan Data Entry for Doc Providers**, for the purposes of generating documents for Construction Loans.   See Addendums 13.1 & 13.2 for information on entering data for LPA.

Edit 1003	OpenClose	DU
Edit 1003 – Types & Terms Tab	• Loan Type: Conventional	✓
MI Calculator	• Complete if the loan requires MI	✓
Interest Only Flag	• Indicate Yes or No	✓
Construction Flag This is an OpenClose feature only.	• When Yes: o The loan can be closed and funded without being locked. o The Loan officer is able to lock the loan after the loan is closed and funded o Requires the loan to be locked before the field "Shipped to Investor" in the Post Closing screen can be filled in.	**N/A**
Property Tab	• Occupancy: Primary Residence • Loan Purpose: Construction • Appraised Value: Enter the estimated value after construction is completed. • Purchase Price: Enter total price for the lot and the construction.	✓

Property Tab – Construction Fields	• Enter:
	   ○ A. Present Value of Lot
	   ○ B. Improvements
	   ○ Construction Interest Rate
	   ○ Construction Term
	   ○ Construction Index (if applicable)
	   ○ Construction Margin (if applicable)
	 • **DO NOT ENTER Construction Cost Amount**
	 • **DO NOT Click BLUE ARROW ➡**
		✓

1003-Proposed Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓
If the Borrower Owns a Primary Residence that will be Retained During Construction	• Follow applicable steps on Conventional Investment Property chart # 9.1	✓
Details Tab	• Line A – Includes the price of the lot and the Cost of Construction (total contract price).	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   ○ Fannie Product ID Plan
	   ○ Fannie ARM Index Type
		✓

Note: Per DU Job Aid: If the transaction will be closed as a purchase transaction, it must be entered as Construction in Section II. DU will treat a construction transaction as a purchase money transaction.

https://www.fanniemae.com/content/job-aid/desktop-underwriter/topic/du_data_entry_instructions_for_construction-to-permanent_transactions.htm?rhsearch=construction&rhsyns=%20nsaction (single-closing transaction).

DU Automated Underwriting
13.4 Conventional Construction Perm
Underwriting the End Loan Prior to Funding the Construction Loan
Primary Residence

Note: In this scenario the lender is underwriting the loan that will be sold to Fannie once the construction is complete and the loan modifies. See **Addendum C, Construction Loan Data Entry for Doc Providers**, for the purposes of generating documents for Construction Loans. See Addendums 13.1 & 13.2 for information on entering data for LPA.

Edit 1003	OpenClose	DU
Edit 1003 – Types & Terms Tab	• Loan Type: Conventional	✓
MI Calculator	• Complete if the loan requires MI	✓
Interest Only Flag Interest Only: ◯ Yes ⬤ No	• Indicate Yes or No	✓

Construction Flag
 	
This is an **OpenClose** feature only.
 	
Construction Flag: ◯ Yes ⬤ No
	• When Yes:
	  ○ The loan can be closed and funded without being locked.
	  ○ The Loan officer is able to lock the loan after the loan is closed and funded
	  ○ Requires the loan to be locked before the field "Shipped to Investor" in the Post Closing screen can be filled in.
		N/A

Property Tab	• Occupancy: Primary Residence • **Loan Purpose: Construction Permanent** • Appraised Value: Enter the estimated value after construction is completed.	✓

Property Tab – Construction Fields	• Enter:
	    ○ Year Acquired
	    ○ Original Cost
	    ○ Existing Liens
	    ○ A. Present Value of Lot
	    ○ B. Improvements
	    ○ Construction Interest Rate
	    ○ Constriction Term
	    ○ Construction Index
	    ○ Construction Margin
	• **DO NOT ENTER Construction Cost Amount**
	• **DO NOT** click the **BLUE ARROW** ➡
		✓

1003-Proposed Housing Expense Tab	• Proposed P&I and MI will populate • Add additional expenses	✓
Asset Tab – REO – Subject Property - Interim Construction Loan & Lot Loan (if applicable)	• Add Subject Property Address • Assign a Unique REO Asset ID • Property Type: Land • Status: Retained • Not Current Residence • Subject Property: Yes • Complete: Market Value • Complete: Mortgage Amount(s)- include Total for Lot Loan and Construction Loans that will be paid off as a result of this loan. • Complete: Payment • Add Total Monthly Insurance, Taxes Misc. (if not part of current PITI) • Add $0.00 for Gross and Net Rental Income	✓
Liability Tab – Construction Loan (to be paid from the proceeds of this loan) and Current Mortgage on Lot If Applicable	• Match to Correct REO Asset ID • Paid at Closing: YES	✓
If the Borrower owns a Primary Residence	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 9.2	✓
If the Borrower owns Rental Property	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 4.2	✓

DU Automated Underwriting
13.4 Conventional Construction Perm
Underwriting the End Loan Prior to Funding the Construction Loan
Primary Residence

If the Borrower owns Non-Income Property	• Follow applicable steps on Conventional Primary Residence with Rental Property chart # 4.2	✓
Details Tab	• Line A – Blank • Line B – 0.00 • Line C – 0.00 • Line D – Will populate the total unpaid balance to be paid out of the proceeds of the loan.	✓

Fannie Tab – ARM Loans	• When Loan is an **ARM** Complete:
	   o Fannie Product ID Plan
	   o Fannie ARM Index Type
		✓

Note: Per DU Job Aid: If the transaction will be closed as a refinance transaction, it must be entered as Construction-Permanent in Section II. DU will treat a Construction-Permanent transaction as a refinance transaction. The interim construction loan should be entered as a mortgage and marked **Paid By Close**. …match the interim construction mortgage to the subject property. ….The outstanding loan balance must reflect the total amount of the interim construction loan upon completion – the fully drawn amount. Include any separate unpaid liens against the lot if applicable. The total unpaid balance should be entered in Section VII, Line d.

https://www.fanniemae.com/content/job-aid/desktop-underwriter/topic/du_data_entry_instructions_for_construction-to-permanent_transactions.htm?rhsearch=construction&rhsyns=%20nsaction (single-closing transaction).

Addendum C
Construction Loan Entry for Doc Providers

Note: when running AU (LPA) the Loan Purpose must be Purchase or Refinance. See the Automated Underwriting Addendum on Construction Loans for more information.

Overview:

The purpose of this addendum is to provide information on the data input procedures for construction loans to generate correct loan documents.

Edit 1003, Types & Terms

- **Interest Only:** Select Yes if applicable
- **Construction Flag:** YES. When yes:
  - The loan can be closed and funded without being locked.
  - The Loan officer is able to lock the loan after the loan is closed and funded
  - Requires the loan to be locked before the field "Shipped to Investor" in the Post Closing screen can be filled in

Edit 1003, Property tab

- Complete the **Loan Purpose** as **Construction** or **Construction Perm**. The construction fields will become available.

- Use **Construction** if the loan is a short term loan.
- Use **Construction Perm** if the loan is a long term loan (with either one closing or two)

Addendum C
Construction Loan Entry for Doc Providers

- **Land Owned** - the **Borrower** currently owns the lot
  - o Enter an Appraised Value on the **Property tab**
  - o *DO NOT* enter a **Purchase Price** on the **Property tab**
  - o Complete the following on the **Property tab**:
    - ▪ **Year Acquired**
    - ▪ **Original Cost -** NOTE: In order for OpenClose to determine that the borrower already owns the lot, the user *must* complete this field.
    - ▪ **Existing Liens**
    - ▪ **A. Present Value of Lot**
    - ▪ **B. Improvements (cost to build)**
    - ▪ **Construction Index** (if applicable)
    - ▪ **Construction Margin** (if applicable)
    - ▪ **Construction Interest Rate**
    - ▪ **Construction Term**
    - ▪ **Construction Cost Amount** – **click blue arrow** to populate to **Line B** of the **Details** tab
    - ▪ **Purchase price** on **Line A** of the **Details** tab should be *BLANK*.
  - o Complete the following on the **Asset tab**
    - ▪ Add the Lot as an **REO** on the **Asset** tab
    - ▪ Assign a unique **REO Asset ID**
    - ▪ **Subject Property** - **YES**
  - o If the borrower is paying off a mortgage on the lot in the same transaction complete the following:
    - ▪ Add or identify the current mortgage for the lot to the **Liability** tab
    - ▪ Add the **REO Asset ID**
    - ▪ **Paid at Closing** – **YES** to populate the amount to be paid off on **Line D** of the **Details** tab**.**

- **Land Purchase -** the **borrower** is **buying the lot from the builder**
  - o **Enter** an **Appraised Value** on the **Property** tab
  - o **Enter** the total **Purchase Price** on the **Property** tab
    - ▪ The purchase price is the contract amount which may be broken down as **(A)** value of the lot and **(B)** the improvements on the property tab if known
    - ▪ **The total Purchase price** will populate to **Line A** of the **Details** tab
  - o Complete the following:
    - ▪ **A. Present Value of Lot** (if identified)
    - ▪ **B. Improvements** (if identified)
    - ▪ **Construction Index** (if applicable)
    - ▪ **Construction Margin** (if applicable)
    - ▪ **Construction Interest Rate**
    - ▪ **Construction Term**

Addendum C
Construction Loan Entry for Doc Providers

- **Construction Cost Amount**
- **DO NOT** click blue arrow

- **Land Acquired Separately** - If the borrower is buying the lot from one entity and contracting with another entity to build the home
    - **Enter** an **Appraised Value** on the **Property** tab
    - **DO NOT** enter a **Purchase Price** on the **Property** tab
    - Complete the following on the **Property** tab:
        - **Year Acquired**
        - **A. Present Value of Lot**
        - **B. Improvements (cost to build)**
        - **Construction Index** (if applicable)
        - **Construction Margin** (if applicable)
        - **Construction Interest Rate**
        - **Construction Term**
        - **Construction Cost Amount** – **click blue arrow** to populate to **Line B** of the **Details** tab
    - Complete the following on the **Details** tab:
        - **Purchase price** on **Line A** of the **Details** tab should be *BLANK*.
        - **Alterations, Improvements, Repairs** on **Line B** of the **Details** tab will contain the value entered as **Construction Cost Amount** on the **Property** tab
        - Enter the cost of the Land on **Line C Land (If Acquired Separately)** of the **Details** tab

For ease of reference, we will use the term "DU" to refer to Desktop Originator® and Desktop Underwriter® (DO®/DU®).

Conversions of construction-to-permanent financing

Fannie Mae's policies and guidelines stated in the *Selling Guide,* for conversions of construction-to-permanent financing are applicable to loan casefiles underwritten with DU. Loan casefiles for construction-to-permanent transactions should be submitted based on the following criteria:

- If the transaction will be closed as a purchase transaction, it must be entered as **Construction** in Section II. DU will treat a construction transaction as a purchase money transaction (single-closing transaction).

- If the transaction will be closed as a refinance transaction, it must be entered as **Construction- Permanent** in Section II. DU will treat a Construction-Permanent transaction as a refinance transaction (single-closing or two-closing transactions).

Addendum F
FHA Loans

Overview:

The purpose of this addendum is to provide information on the data input procedures for originating **FHA Loans,** it is not meant to provide information on FHA guidelines.

A user can create a FHA loan by inputting data on any one of the following screens:
- **Quick Pricer**
- **Price/Lock**
- **Loan Info**
- **Edit 1003**

The Following Fields must be completed during the processing of the loan:
- On the **Edit 1003** screen**, Types and Terms** tab**, Loan Type**: Federal Housing Administration
- **MI Calculator:**
    - Select the **MIP %** from the dropdown.
    - If the **Up-Front MIP** is to be paid in cash click on the calculator to the right of the field.
    - Enter the amount to be paid in cash.
    - Note the **Loan Amount W/ MIPFF** will reflect the **Base Loan Amount** plus the **Up-Front MIP**.
    - Input the **Monthly Mortgage Insurance Premium** information.
- **Edit 1003 - Borrower Info** tab, **Details** tab:
    - **Homebuyer Counsel Type** is required when mortgage type is FHA
- **Edit 1003 - Government** tab:
    - **Section of the Act**
    - MIP Refund Amount (if applicable)

Forms:

- Add the **FHA Loan Underwriting and Transmittal Summary**
- Add the **HUD/VA Addendum to Uniform Residential Loan Application**
- Add other necessary **FHA** forms to the loan in the **e-Doc Manager** (see chapter 4 for more information).

FHA Purchase or Refinance of a Primary Residence - 2-4 unit Property with Rental Income using for qualifying – Entry for AU

Addendum F
FHA Loans

- **Edit 1003 – Property tab:**
  - Enter the **Number Of Units**
  - **Occupancy – Primary**
  - If **Loan Purpose – Purchase**
  - The **Proposed Net Rental Income Calculator** will appear next to the occupancy field
  - Click on the calculator and enter gross rent *only* if it will be used to qualify the borrower
  - Enter $0.00 for **Combined Rental Expenses** (the payment is already considered in the DTI since it will be the borrower's primary residence)
  - If **Loan Purpose – Refinance**
  - **Enter the property information on the Asset tab – REO section**
  - **Type of Property: Two To Four Unit**
  - **Status: Rental**
  - **Current Residence**
  - **For DU *only: t*he Current Net Rental Income field *must* be $0.00** so the current net rent and the proposed net rent **will not both be included** in the DTI. LPA will ignore the current Net Rent on the REO section
  - The **Proposed Net Rental Income Calculator** will appear to the right
  - Click on the calculator and enter gross rent *only* if it will be used to qualify the borrower
  - Enter $0.00 for **Combined Rental Expenses** (the payment is already considered in the DTI since it will be the borrower's primary residence)
  -

- **Edit 1003 – Income tab:**
  - **Add Subject property Net Cash Flow *only*** if rent that will be used to qualify the borrower
- **Submit to AU** review findings
- Review the **FHA Loan Underwriting and Transmittal Summary.**

FHA Loans with Rental Income – Entry for AU

OpenClose sends data from the **Edit 1003** screen to Fannie Mae in the form a **FNM 3.2 file**. Fannie Mae requires data be input in a specific way, so that ratios, DTI, and other calculations are correct. Therefore, the data must be entered in OpenClose as follows for **FHA** Loans with **Rental Income**.

OpenClose always reads **rental income** from the **Edit 1003** screen, **Asset** tab – **REO** section. In the case of Government Loans, DU/DO reads rental income from the REO section. (See link below for Fannie Mae guidelines)

Addendum F
FHA Loans

https://www.fanniemae.com/content/job-aid/desktopunderwriter/topic/du_entering_the_data_for_an_fha_loan.htm

- Fill out the REO info on the **Asset Tab** to calculate rental income**.**

Schedule Of Real Estate Owned For John Homeowner						
						Delete This Real Estate ☐
REO Asset ID: 1				Address: 1250old st		
Type Of Property: Condominium				Zip: 44123		
Status: Rental				City: Euclid		
Current Residence: Not Current Residence				State: OH		
Subject Property: No				Occupancy Rate: 75.000		
Present Market Value	Amount Of Mtg. & Liens	Gross Rental Income		Mtg. Payments	Insurance, Maint., Misc.	Net Rental Income
150,000.00	135,000.00	1,000.00		1,000.00	100.00	-350.00

- Include the associated Mortgage on the **Liabilities** tab. Check **Omit Monthly Payment** so OpenClose will not count the debt twice.

Liability For John Homeowner		
Delete ☐ Omit ☐ Omit Monthly Payment ☑		Create Verification ☐
Liability Type: Mortgage	Monthly Payment $: 1,000.00	
Creditor Name:	No. Of Months: 200	
Address:	Unpaid Balance $: 135,000.00	
Zip:	REO Asset ID: 1	
City:	Paid At Closing: No	
State:	Resubordinated: No	
Account No.:	Verification Source:	
	Other Verification Source Description:	

- Net rental income should *NOT* be entered on the **Income** tab, the AU system will use the figure on the **Asset Tab REO** section
- **Submit to AU** review findings
- Review the **FHA Loan Underwriting and Transmittal Summary.**

Addendum G
VA Loans

Overview:

The purpose of this addendum is to provide information on the data input procedures for originating **VA Loans,** it is not meant to provide information on VA guidelines.

A user can create a VA loan by inputting data on any one of the following screens:
- **Quick Pricer**
- **Price/Lock**
- **Loan Info**
- **Edit 1003**

The Following Fields must be completed during the processing of the loan:
- On the **Edit 1003** screen**, Types and Terms** tab**, Loan Type**: Veteran's Administration
- **MI Calculator:**
  - Select the Funding Fee % from the dropdown.
  - If any amount of the FF is to be paid in cash by click on the calculator to the right of the field.
  - Enter the amount to be paid in cash.
  - Note the **Loan Amount W/ FF** will reflect the **Base Loan Amount** plus the financed FF.
- **Edit 1003, Government** tab:
  - Co-Borrower Married to Primary
  - Entitlement Amount
  - Borrower and Co-Borrower Federal Tax, as well as State Tax and Other Tax (if applicable).
- **Edit 1003, Freddie** tab:
  - Document Type
  - Veteran Status
  - VA Residual Income

Forms:

Add the **VA Loan Summary**, the **VA Loan Analysis,** the **HUD/VA Addendum to Uniform Residential Loan Application** and any other necessary **VA** forms to the loan in the **e-Doc Manager** (see chapter 4 for more information).

VA Loans with Rental Income – Entry for DU and LPA
OpenClose sends data from the Edit 1003 screen to Fannie Mae in the form a **FNM 3.2 file**. Fannie Mae and Freddie require data be entered in a specific way, so that ratios, DTI, and other calculations are correct. Therefore, the data must be entered in OpenClose as follows for **VA** Loans with **Rental Income**.

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Addendum G
VA Loans

When entering a VA loan with **Net Rental Income** input the data as described below so the ratios in OpenClose and DU/DO, as well as the VA Loan Summary and the VA Loan Analysis.

OpenClose reads **rental income** from the **Edit 1003** screen, **Asset** tab – **REO** section.   In the case of Government Loans, DU and LPA also read rental income from the REO section. (See links below for Fannie and Freddie guidelines)

http://www.freddiemac.com/learn/pdfs/uw/fha_va_lp_liabilities.pdf

https://www.fanniemae.com/content/job-aid/desktop-underwriter/topic/du_entering_the_data_for_a_va_loan.htm

The DU job aid States: "Important: Net rental income should not be entered on this screen. Instead, the net rental income will be automatically calculated from property data entered in the REO screen. DU uses the net rental amount from the REO screen when processing government loans."

1. Fill out the REO info on the **Asset Tab** to calculate rental income**.**

Schedule Of Real Estate Owned For John Homeowner

REO Asset ID: 1	Address: 1250old st
Type Of Property: Condominium	Zip: 44123
Status: Rental	City: Euclid
Current Residence: Not Current Residence	State: OH
Subject Property: No	Occupancy Rate: 75.000

Present Market Value	Amount Of Mtg. & Liens	Gross Rental Income	Mtg. Payments	Insurance, Maint., Misc.
150,000.00	135,000.00	1,000.00	1,000.00	100.00

2. Include the associated Mortgage on the **Liabilities** tab. Check **Omit Monthly Payment** so OpenClose will not count the debt twice.

Liability For John Homeowner

Delete ☐   Omit ☐   Omit Monthly Payment ☑   Create Ve

Liability Type: Mortgage	Monthly Payment $: 1,000.00
Creditor Name:	No. Of Months: 200
Address:	Unpaid Balance $: 135,000.00
Zip:	REO Asset ID: 1
City:	Paid At Closing: No
State:	Resubordinated: No
Account No.:	Verification Source:
	Other Verification Source Description:

3. Net rental income should **NOT** be entered on the **Income** tab, as it is for Conventional loans.
4. **If the Rental Income is Positive** go to step 6.
5. **If Rental Income is NEGATIVE** enter the **NEGATIVE** net rental income on the Liability screen as an "other Liability" and choose **Omit** so that OpenClose and DU/DO will not consider this in ratio calculations. *This is **necessary** so it will be shown and considered in the ratios on the* **VA Loan Summary Sheet**

6. **Submit to AU** to run DU or LPA. Ratios in OpenClose and in the findings will match.
7. In e-Doc Manager add the **VA Loan Summary** and the **VA Loan Analysis** to the loan. (see chapter 4 of the manual for information on adding forms to a loan)
8. Click the edit pencil for the **VA Loan Summary**.   Ratios will be correct.
9. Click the edit pencil for the **VA Loan Analysis**.
10. **If the Rental Income is Positive** add the Positive Net Rental Income in **Section E Monthly Income and Deductions** - on line 38 so the ratio on the form will calculate correctly.

	Section E - Monthly Income And Deductions				
	ITEMS		SPOUSE	BORROWER	TOTAL
31.	Gross Salary or Earning from Employment		$ 5,000.00	$ 5,000.00	$ 10,000.00
32.	DEDUCTIONS	Federal Income Tax	$ 2,700.00	$ 2,500.00	
33.		State Income Tax	$	$	
34.		Retirement or Social Security	$	$	
35.		Other	$	$	
36.		Total Deductions	$ 2,700.00	$ 2,500.00	$ 5,200.00
37.	Net Take-Home Pay		$ 2,300.00	$ 2,500.00	$ 4,800.00
38.	Pension, Compensation or Other Net Income (Specify)		$ 300.00	$ 0.00	$ 300.00
39.	Total (Sum of lines 37 and 38)		$ 2,600.00	$ 2,500.00	$ 5,100.00
40.	Less those Obligations Listed in Section D which should be Deducted from Income				$ 1,275.00
41.	Total Net Effective Income				$ 3,825.00
42.	Less Estimated Monthly Shelter Expense (Line 22)				$ 1,905.51
43.	Balance Available for Family Support			Guideline $	$ 1,919.49
44.	Ratio (Sum of items 15, 16, 17, 18, 20 and 40 / sum of items 31 and 38)				30.878 %
45.	Past Credit Record ○ Satisfactory ○ Unsatisfactory	46.	Does Loan Meet VA Credit Standards? ○ Yes ○ No		

![OpenClose logo]

Addendum G
VA Loans

If the Rental Income is NEGATIVE check the "**Other**" liabilty (created for Negative Rent) in **Section D – Debts and Obligations** so the ratio on the form will calculate correctly. (Uncheck the Mortgage for that property)

	Section D - Debts and Obligations (Itemize and indicate by (X) which debts considered in Section E, Line 40)			
	ITEMS	**(X)**	**MO. PAYMENT**	**UNPAID BAL.**
22.	SALLIE MAE	☑	$ 0.00	$ 5,000.00
23.	SALLIE MAE	☑	$ 200.00	$ 1,100.00
24.	CHASE	☑	$ 200.00	$ 5,000.00
25.	TOYOTA CREDIT	☑	$ 500.00	$ 15,838.00
26.	UNIVERSAL VISA	☑	$ 25.00	$ 950.00
27.	BofA	☐	$ 1,000.00	$ 135,000.00
28.	Neg Rental Income	☑	$ 350.00	$ 3,500.00
29.	Job Related Expense	☐	$	

For information on running DU and LP see **Chapter 10 Automated Underwriting and the AU Scenarios Addendum.**

Originating **HELOCs** and **HELOANs**

Addendum H

Overview:

The purpose of this addendum is to provide information on originating **HELOCs** and **HELOANs.** The loan maybe a standalone lien (first lien) or may be subordinated to an existing primary lien (second lien).

> **Note:** If the user is originating a new first mortgage **and** a new second mortgage in the same transaction, a "piggyback", the two loans can be linked together. For more on creating **Linked Loans** see Chapter 4. Originating a new first mortgage with an existing second (resubordinated) is also discussed In Chapter 4.

HELOANs:

HELOANs have a fixed term and are not a line of credit.

> **Note: CFPB** has mandated that the **LE** should **only** have a **Loan Purpose of Home Equity** **when** the new loan is **not** paying off and existing lien on the subject property.

All HELOANs are **TIRD** Loans.

HELOANs that are **NOT paying off** a **mortgage** on the **subject property** **must** have a **Loan Purpose of Home Equity** on the **Loan Estimate**.

HELOANs that **are paying off** a **mortgage** on the **subject property** **must not** have a **Loan Purpose of Refinance** on the **Loan Estimate**.

Data should be entered in OpenClose in the same fashion as other loan types with the following fields completed as follows:

Primary Lien HELOANs

On the **Edit 1003** screen, **Types and Terms** tab
- The system will default the **Disclosure Basis** to TRID
- **Loan Position**: Primary Loan
- **Home Equity Loan Indicator Box**
  - o **Should** be checked when the new loan **is not paying off a mortgage** on the subject property. This will make the LE **Loan Purpose Home Equity**.

    Home Equity Loan Indicator: ☑

- **Home Equity Loan Indicator Box**
  - o **Should not** be checked when the new loan **is paying off a mortgage** on the subject property. This will make the LE **Loan Purpose Refinance**.

    Home Equity Loan Indicator: ☐

On the **Edit 1003** screen, **Property** tab
- **Loan Purpose**: Refinance

Originating **HELOCs** and **HELOANs**

Addendum H

Secondary Lien HELOANs

On the **Edit 1003** screen, **Types and Terms** tab.
- The system will default the Disclosure Basis to TRID.
- **Loan Position**: Secondary Loan - the loan will be subordinated to an existing first lien.
- **Other Mortgages $:** Enter the balance due on the first lien
- **Home Equity Loan Indicator Box**
  - *Must be* checked when the new loan **is *not* paying off a mortgage** on the subject property. This will make the LE **Loan Purpose Home Equity**.

  Home Equity Loan Indicator: ☑

- **Home Equity Loan Indicator Box**
  - *Must not be* checked when the new loan *is **paying off a mortgage*** on the subject property. This will make the LE **Loan Purpose Refinance**.

  Home Equity Loan Indicator: ☐

On the **Edit 1003** screen, **Property** tab
- **Loan Purpose**: Refinance

HELOCs:

HELOCs are **GFE 2010** Loans

Primary Lien HELOCs

On the **Edit 1003** screen, **Types and Terms** tab.
- The system will default the Disclosure Basis to TRID
- **Loan Position**: Primary Loan
- **Loan Type**: *must* be **HELOC** to change the **Disclosure Basis** to GFE 2010
- **Loan Type:** *must* be **HELOC** to add the HELOC Drawn $ and the Max HELOC Amount $ fields
- **Complete** the **HELOC Drawn Amount** and the **Max HELOC Amount** fields
- **Home Equity Loan Indicator Box** *must not* be checked as this field *only* applies to HELOANs

On the **Edit 1003** screen, **Property** tab
- **Loan Purpose**: Refinance

Secondary Lien HELOCs

On the **Edit 1003** screen, **Types and Terms** tab.
- The system will default the Disclosure Basis to TRID
- **Loan Position**: Secondary Loan - the loan will be subordinated to an existing first lien.
- **Other Mortgages $:** Enter the balance due on the first lien

Originating **HELOCs** and **HELOANs**

Addendum H

- **Loan Type**: *must* be **HELOC** to change the **Disclosure Basis** to GFE 2010
- **Loan Type:** *must* be **HELOC** to add the HELOC Drawn $ and the Max HELOC Amount $ fields
- **Complete** the **HELOC Drawn Amount** and the **Max HELOC Amount** fields
- **Home Equity Loan Indicator Box** *must not* be checked as this field *only* applies to HELOANs

On the **Edit 1003** screen, **Property** tab
- **Loan Purpose**: Refinance

ADDENDUM J

Fee Tolerance Comparison

The Fee Tolerance Comparison icon will always display on the top tool bar to the right of the QM/ATR document. The data will populate automatically as described below. This is a read-only document and cannot be directly edited. Opening the document opens in a new window so you can drag it to another monitor.

The Comparison is separated into three sections vertically:

- Charges That Cannot Increase (0% Tolerance)
- Charges That in Total Cannot Increase More Than 10%
- Charges That Can Change

In order for the Fees to correctly display in the 0% Tolerance, 10% Tolerance, and Charges That Can Change sections, the Admin must predefine this in Fees Maintenance.

The Comparison is separated into three sections horizontally:

- Disclosed LE to Current [Fees Worksheet] Comparison
- Disclosed LE to Closing Current Comparison
- Disclosed CD to Closing Current Comparison

To view each horizontal section, click on the black bar as shown below.

Charges That Cannot Increase (0% Tolerance):
(apply to all tabs in the new Fee Tolerance Comparison screen)
- If the charges that cannot increase (0% tolerance) is out of tolerance,
- Then the system will show the amount increase in the "Out of Tolerance Variance" column
- And display the total amount increase in the "Total cannot increase variance" and "Total Cure Amount" field.

Charges That Cannot Increase (0% Tolerance)	Disclosed LE 6/3/2016	Current	Out of Tolerance Variance
Origination	$589.75	$589.75	$0.00
Appraisal Fee	$455.00	$455.00	$0.00
Credit Report	$55.00	$55.00	$0.00
Lenders Inspection Fee	$195.00	$455.00	$260.00
Tax Service Fee	$62.50	$62.50	$0.00
Processing Fee	$100.00	$100.00	$0.00
Underwriting Fee	$175.00	$175.00	$0.00
Flood Cert (Life of Loan)	$29.50	$29.50	$0.00
800 Fee 4 (third party)	$15.50	$155.00	$139.50
Test 800 Fee 9	$150.00	$150.00	$0.00
Rate Lock Fee	$125.00	$125.00	$0.00
Mtg Ins Prem	$2,378.25	$2,885.78	$507.53
Recording Fees	$275.00	$275.00	$0.00
State Tax/Stamps	$483.97	$477.00	$0.00
Total "Cannot Increase" Variance			$907.03

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 6/3/2016	Current	
Title - Closing/Escrow Fee	$150.00	$150.00	
Title - Title Examination Fee	$25.00	$25.00	
Title - Doc Prep Fee	$150.00	$150.00	
Title - Notary Fees	$35.00	$100.00	
Title - Title Insurance	$151.00	$151.00	
Title - Abstracting Charge	$250.00	$150.00	
Title - Owners Title Insurance	$150.00	$150.00	
Total	$911.00	$876.00	Out of Tolerance Variance
Increase between Current and Disclosed		0.000%	$0.00

	Total Cure Amount	$907.03

Charges in Total Cannot Increase More than 10% Tolerance:
(apply to all tabs in Fee Tolerance Comparison screen)
- If the charges increase more than 10%, then the system will show the increase (%) in **Red & bold** (see screen print below).
- Calculation for the increase of 10% or greater is as follow: LE_totalcurrent – (LE_totaldisclosed * 110%) (Example of increase over 10%: **$3404.00 – ($2671.50 * 110%) = $465.35**

Charges That Cannot Increase (0% Tolerance)	Disclosed LE 5/24/2016	Current	Out of Tolerance Variance
Discount	$197.50	$7,900.00	$7,702.50
Origination	$5,925.00	$5,925.00	$0.00
Mortgage Broker Fee	$987.50	$987.50	$0.00
Tax Service Fee	$45.00	$45.00	$0.00
Processing Fee	$175.00	$175.00	$0.00
Underwriting Fee	$375.00	$375.00	$0.00
Wire Transfer Fee	$25.00	$25.00	$0.00
Flood Cert (Life of Loan)	$29.50	$70.00	$40.50
800 Fee 4 (third party)	$255.00	$370.00	$115.00
800 Fee 5 (third party)	$0.00	$200.00	$200.00
Rate Lock Fee	$175.00	$175.00	$0.00
Recording Fees	$175.00	$180.00	$5.00
State Tax/Stamps	$1,382.50	$1,382.50	$0.00
Total "Cannot Increase" Variance			$8,063.00

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 5/24/2016	Current	
Appraisal Fee	$350.00	$500.00	
Credit Report	$27.50	$55.00	
Lenders Inspection Fee	$350.00	$470.00	
Closing/Escrow Fee	$275.00	$470.00	
Title Examination Fee	$175.00	$270.00	
Doc Prep Fee	$150.00	$260.00	
Notary Fees	$155.00	$150.00	
Attorney Fees	$800.00	$800.00	
Abstracting Charge	$155.00	$250.00	
Closing Service Letter	$0.00	$100.00	
Pest Inspection	$79.00	$79.00	
1300 Fee 4	$155.00	$0.00	
Total	$2,671.50	$3,404.00	Out of Tolerance Variance
Increase between Current and Disclosed		**27.419%**	**$465.35**

	Total Cure Amount	$8,528.35

Charges That Can Change	Disclosed LE 5/24/2016	Current	
Interest For	$397.71	$397.71	
Haz Ins	$1,020.00	$1,020.00	
Owners Title Insurance	$375.00	$380.00	
Plat Drawing	$255.00	$350.00	
1300 Fee 4	$0.00	$150.00	
Discount	$0.00	$0.00	
Closing/Escrow Fee	$0.00	$0.00	
Title Examination Fee	$0.00	$0.00	
Doc Prep Fee	$0.00	$0.00	
Notary Fees	$0.00	$0.00	
Attorney Fees	$0.00	$0.00	
Abstracting Charge	$0.00	$0.00	
1204 - fee FML	$99.00	$0.00	

- If the charges Increase **but less than 10%,** then the system only display the percentage increase.
- And the "**Out of Tolerance Variance**" field will show **$0.00 dollars**.

Charges That Cannot Increase (0% Tolerance)	Disclosed LE 5/24/2016	Current	Out of Tolerance Variance
Discount	$197.50	$7,900.00	$7,702.50
Origination	$5,925.00	$5,925.00	$0.00
Mortgage Broker Fee	$987.50	$987.50	$0.00
Tax Service Fee	$45.00	$45.00	$0.00
Processing Fee	$175.00	$175.00	$0.00
Underwriting Fee	$375.00	$375.00	$0.00
Wire Transfer Fee	$25.00	$25.00	$0.00
Flood Cert (Life of Loan)	$29.50	$70.00	$40.50
800 Fee 4 (third party)	$255.00	$370.00	$115.00
800 Fee 5 (third party)	$0.00	$200.00	$200.00
Rate Lock Fee	$175.00	$175.00	$0.00
Recording Fees	$175.00	$180.00	$5.00
State Tax/Stamps	$1,382.50	$1,382.50	$0.00
Total "Cannot Increase" Variance			$8,063.00

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 5/24/2016	Current	
Appraisal Fee	$350.00	$450.00	
Credit Report	$27.50	$35.00	
Lenders Inspection Fee	$380.00	$450.00	
Closing/Escrow Fee	$275.00	$470.00	Under 10% tolerance.
Title Examination Fee	$175.00	$270.00	
Doc Prep Fee	$150.00	$260.00	
Notary Fees	$155.00	$150.00	
Attorney Fees	$800.00	$800.00	
Pest Inspection	$79.00	$0.00	
Abstracting Charge	$155.00	$0.00	
1300 Fee 4	$155.00	$0.00	
Total	$2,671.50	$2,885.00	Out of Tolerance Variance
Increase between Current and Disclosed		7.992%	$0.00
		Total Cure Amount	$8,063.00

Charges That Can Change	Disclosed LE 5/24/2016	Current
Interest For	$397.71	$397.71
Haz Ins	$1,020.00	$1,020.00
Abstracting Charge	$0.00	$250.00
Owners Title Insurance	$375.00	$380.00
Closing Service Letter	$0.00	$100.00
Plat Drawing	$255.00	$350.00
Pest Inspection	$0.00	$79.00
1300 Fee 4	$0.00	$150.00
Discount	$0.00	$0.00
Closing/Escrow Fee	$0.00	$0.00
Title Examination Fee	$0.00	$0.00
Doc Prep Fee	$0.00	$0.00
Notary Fees	$0.00	$0.00
Attorney Fees	$0.00	$0.00
1204 - fee FML	$99.00	$0.00

- **Total Cure Amount field**:
  The total of "Total cannot increase variance (0% tolerance)" plus the "Total Out of Tolerance Variance?" displays if there is an increase in these two sections.

Charges That Cannot Increase (0% Tolerance)	Disclosed LE 6/3/2016	Current	Out of Tolerance Variance
Origination	$589.75	$589.75	$0.00
Appraisal Fee	$455.00	$455.00	$0.00
Credit Report	$55.00	$55.00	$0.00
Lenders Inspection Fee	$195.00	$455.00	$260.00
Tax Service Fee	$62.50	$62.50	$0.00
Processing Fee	$100.00	$100.00	$0.00
Underwriting Fee	$175.00	$175.00	$0.00
Flood Cert (Life of Loan)	$29.50	$29.50	$0.00
800 Fee 4 (third party)	$15.50	$155.00	$139.50
Test 800 Fee 9	$150.00	$150.00	$0.00
Rate Lock Fee	$125.00	$125.00	$0.00
Mtg Ins Prem	$2,378.25	$2,885.78	$507.53
Recording Fees	$275.00	$275.00	$0.00
State Tax/Stamps	$483.97	$477.00	$0.00
Total "Cannot Increase" Variance			$907.03

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 6/3/2016	Current	
Title - Closing/Escrow Fee	$150.00	$150.00	
Title - Title Examination Fee	$25.00	$25.00	
Title - Doc Prep Fee	$150.00	$150.00	
Title - Notary Fees	$35.00	$100.00	
Title - Attorney Fees	$0.00	$500.00	
Title - Title Insurance	$151.00	$151.00	
Title - Abstracting Charge	$250.00	$275.00	
Title - Owners Title Insurance	$150.00	$150.00	
Total	$911.00	$1,501.00	Out of Tolerance Variance
Increase between Current and Disclosed		64.764%	$498.90

Total Cure Amount $1,405.93

Total Cannot Increase Variance + Total increase between current & disclosed = Displayed in Total Cure amount

Charges That Can Change:
(apply to all tabs in Fee Tolerance Comparison screen)
- All other charges listed.
- If the box BC (borrower chosen) is selected in Edit Fees Worksheet,
- Then fees in the 10% tolerance section will move to the **Charges That Can Change** section.

QM User Defined fees (828)	0.00				Services You Can Shop For	Borrower	☐
Title - Closing/Escrow Fee	150.00	Service Provider			Services You Can Shop For	Borrower	☑
Title - Title Examination Fee	25.00	Service Provider			Services You Can Shop For	Borrower	☐
Title - Doc Prep Fee	275.00				Services You Can Shop For	Borrower	☐
Title - Notary Fees	100.00	Service Provider			Services You Can Shop For	Borrower	☑
Title - Attorney Fees	500.00				Services You Can Shop For	Borrower	☐
Title - Title Insurance	151.00	Service Provider			Services You Can Shop For	Borrower	☐
Title - Abstracting Charge	275.00				Services You Can Shop For	Borrower	☑
Title - Closing Service Letter	0.00	Service Provider			Services You Can Shop For	Borrower	☑
Plat Drawing	100.00	Service Provider			Services You Can Shop For	Borrower	☐
Pest Inspection	29.00				Services You Can Shop For	Seller	☐
1300 Fee 1	150.00	Service Provider			Services You Can Shop For	Seller	☐
						Borrower	☐
						Borrower	☐
						Borrower	☐
						Borrower	☐
						Borrower	☐
C. Services You Can Shop For Subtotal	$1,755.00						

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 6/3/2016	Current	
Title - Title Examination Fee	$25.00	$25.00	
Title - Doc Prep Fee	$150.00	$150.00	
Title - Attorney Fees	$0.00	$500.00	
Title - Title Insurance	$151.00	$151.00	
Title - Owners Title Insurance	$150.00	$150.00	
Title - Closing/Escrow Fee	$150.00	$0.00	
Title - Notary Fees	$35.00	$0.00	
Title - Abstracting Charge	$250.00	$0.00	
Total	$911.00	$976.00	Out of Tolerance Variance
Increase between Current and Disclosed		7.135%	$0.00
		Total Cure Amount	$907.03

Charges That Can Change	Disclosed LE 6/3/2016	Current
Loan Credit 2	$1,382.78	$1,362.86
Interest For	$368.74	$363.43
Haz Ins	$1,200.00	$1,200.00
Title - Closing/Escrow Fee	$0.00	$150.00
Title - Notary Fees	$0.00	$100.00
Title - Abstracting Charge	$0.00	$275.00
City/County Tax/Stamps	$276.56	$272.58
Plat Drawing	$150.00	$100.00
Pest Inspection	$29.00	$29.00
1300 Fee 1	$150.00	$150.00

Disclosed LE vs. Closing Current, and Disclosed CD vs. Closing Current
- User(s) must complete at least the following five dates in the Closing Form tab before requesting a Closing Disclosure or Closing Package:
  - Note Date; First Payment Date, Last Payment Date, Funding Effective Date, and EITHER Closing Disclosure Last Issued or Docs Ordered

- Merge the fees by selecting the Merge Fees Worksheet function in Closing/Fees tab.
  - Note: If the BC (borrower chosen) is selected on Edit Fees Worksheet, then it will be update to the Closing/Fees tab

- If the Disclosed LE has been requested, then the system will merge the fees from the last Disclosed LE to the Closing Fees tab.
- User(s) can Edit the fees in the Closing/Fees tab and run a comparison for the Loan Estimate/Closing Disclosure, and compare the fees on **Closing Current**.
- If the charges in Closing Current is out of tolerance in the 0% tolerance section or 10% tolerance section,
  o Then the system will display the total amounts that are out of tolerance in each section, and display the Total Cure amount.
- **These same steps will repeat for all the tabs in the Fees Tolerance Comparison screen.**

Charges That Cannot Increase (0% Tolerance)	Disclosed LE 6/3/2016	Closing Current	Out of Tolerance Variance
Origination	$589.75	$589.75	$0.00
Appraisal Fee	$455.00	$455.00	$0.00
Credit Report	$55.00	$55.00	$0.00
Lenders Inspection Fee	$195.00	$195.00	$0.00
Tax Service Fee	$62.50	$62.50	$0.00
Processing Fee	$100.00	$100.00	$0.00
Underwriting Fee	$175.00	$175.00	$0.00
Flood Cert (Life of Loan)	$29.50	$29.50	$0.00
800 Fee 4 (third party)	$15.50	$15.50	$0.00
Test 800 Fee 9	$150.00	$150.00	$0.00
Rate Lock Fee	$125.00	$125.00	$0.00
Mtg Ins Prem	$2,378.25	$2,378.25	$0.00
Recording Fees	$275.00	$75.00	$0.00
State Tax/Stamps	$483.97	$483.97	$0.00
Total "Cannot Increase" Variance			$0.00

Charges That in Total Cannot Increase More Than 10%	Disclosed LE 6/3/2016	Closing Current	
Title - Title Examination Fee	$25.00	$25.00	
Title - Doc Prep Fee	$150.00	$150.00	
Title - Attorney Fees	$0.00	$0.00	
Title - Title Insurance	$151.00	$151.00	
Title - Owners Title Insurance	$150.00	$275.00	
Title - Closing/Escrow Fee	$150.00	$0.00	
Title - Notary Fees	$35.00	$0.00	
Title - Abstracting Charge	$250.00	$0.00	
Total	$911.00	$601.00	Out of Tolerance Variance
Increase between Current and Disclosed		0.000%	$0.00
Total Cure Amount			$0.00

Charges That Can Change	Disclosed LE 6/3/2016	Closing Current
Loan Credit 2	$1,382.78	($1,382.78)
Interest For	$368.74	$0.00
Haz Ins	$1,200.00	$1,200.00
Title - Closing/Escrow Fee	$0.00	$150.00
Title - Notary Fees	$0.00	$100.00
Title - Abstracting Charge	$0.00	$350.00
City/County Tax/Stamps	$276.56	$276.56
Plat Drawing	$150.00	$275.00
Pest Inspection	$29.00	$29.00
1300 Fee 1	$150.00	$150.00
Wire Transfer Fee	$0.00	$75.00
800 Fee 6	$0.00	$155.00
Title - Attorney Fees	$0.00	$750.00
1200 Fee - Additional Tranfer	$0.00	$25.00

Comparison of Closing Disclosure vs. Closing Current:

Charges That Cannot Increase (0% Tolerance)	Disclosed CD 6/7/2016	Closing Current	Out of Tolerance Variance
Origination	$589.75	$589.75	$0.00
Appraisal Fee	$455.00	$455.00	$0.00
Credit Report	$55.00	$55.00	$0.00
Lenders Inspection Fee	$150.00	$150.00	$0.00
Tax Service Fee	$62.50	$62.50	$0.00
Processing Fee	$150.00	$150.00	$0.00
Underwriting Fee	$200.00	$200.00	$0.00
Flood Cert (Life of Loan)	$29.50	$29.50	$0.00
800 Fee 4 (third party)	$15.50	$15.50	$0.00
Test 800 Fee 9	$150.00	$150.00	$0.00
Rate Lock Fee	$125.00	$125.00	$0.00
Mtg Ins Prem	$2,378.25	$2,378.25	$0.00
Recording Fees	$50.00	$50.00	$0.00
State Tax/Stamps	$483.97	$483.97	$0.00
Total "Cannot Increase" Variance			$0.00

Charges That in Total Cannot Increase More Than 10%	Disclosed CD 6/7/2016	Closing Current	
Title – Title Examination Fee	$25.00	$100.00	
Title – Doc Prep Fee	$150.00	$170.00	
Title – Attorney Fees	$0.00	$0.00	
Title – Title Insurance	$150.00	$150.00	
Title – Owners Title Insurance	$200.00	$200.00	
Title – Closing/Escrow Fee	$100.00	$100.00	
Title – Notary Fees	$75.00	$70.00	
Title – Abstracting Charge	$225.00	$225.00	
Total	$925.00	$1,015.00	Out of Tolerance Variance
Increase between Current and Disclosed		9.730%	$0.00
		Total Cure Amount	$0.00

Charges That Can Change	Disclosed CD 6/7/2016	Closing Current
Loan Credit 2	($1,382.78)	($1,382.78)
Interest For	$0.00	$0.00
Haz Ins	$1,200.00	$1,200.00
Title – Closing/Escrow Fee	$0.00	$0.00
Title – Notary Fees	$0.00	$0.00
Title – Abstracting Charge	$0.00	$0.00
City/County Tax/Stamps	$276.56	$276.56
Plat Drawing	$175.00	$175.00
Pest Inspection	$29.00	$29.00
1300 Fee 1	$150.00	$150.00
Wire Transfer Fee	$75.00	$75.00
800 Fee 6	$155.00	$155.00
Title – Attorney Fees	$550.00	$550.00
1200 Fee – Additional Tranfer	$25.00	$25.00

Future enhancements:

1. At this time, the Fees Tolerance Comparison does not keep a history of the disclosed LE or CD.
2. When there is a change of circumstance (change loan program & loan products, or major changes such as loan amount, etc.), notify the user of the major changes, so user can proceed with the Change of Circumstance process and make the required adjustments.

Addendum K
FHA 203(k) Data Entry

Key Points to Determine Prior to Starting the Data Entry

1. Sales price of the subject property (from the purchase contract)
2. Total amount of the rehabilitation project including all labor, materials, and permits (from the contractor's scope of work)
3. FHA county loan limit

This job aid will assume the following

1. Transaction will be structured under the limited 203(k) program
2. Subject property is not a HUD REO asset
3. There is one contractor that will complete the entire project
4. Subject property is a single-family home located in Tarrant County, Texas with a maximum mortgage amount of $310,500
5. Buyer and seller have agreed upon a sale price of $279,900 with no sales concessions
6. The scope of work from the contractor indicates the total repair cost of $28,500

Also attached to this job aid

1. Completed 1003
2. Completed 203(k) worksheet

Step One

Complete the consumer's data entry in OpenClose as you would with any other transaction. Validate acceptability of the ratios and credit history.

Step Two

Add the FHA 203(k) worksheet to the e-Doc Manager in OpenClose.
1. Select the forms tab
2. Expand the General section
3. Expand the FHA subsection
4. Check the box to select the 203(k) Maximum Mortgage Worksheet
5. Click Add To Folder
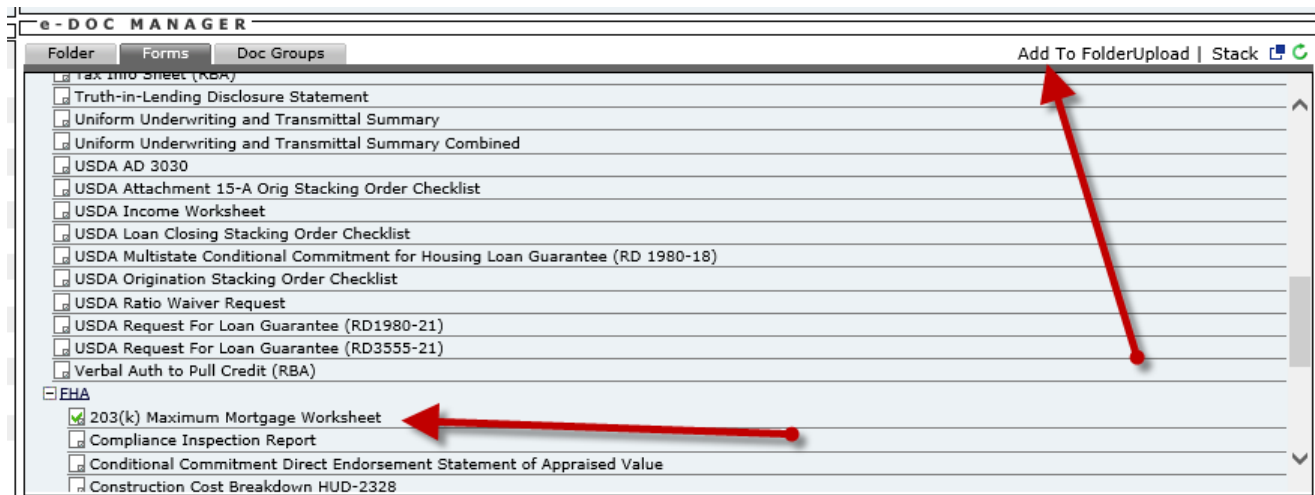
Step Three

Open the FHA 203(k) worksheet in OpenClose for editing
1. Click the edit pencil from the e-Doc Manager
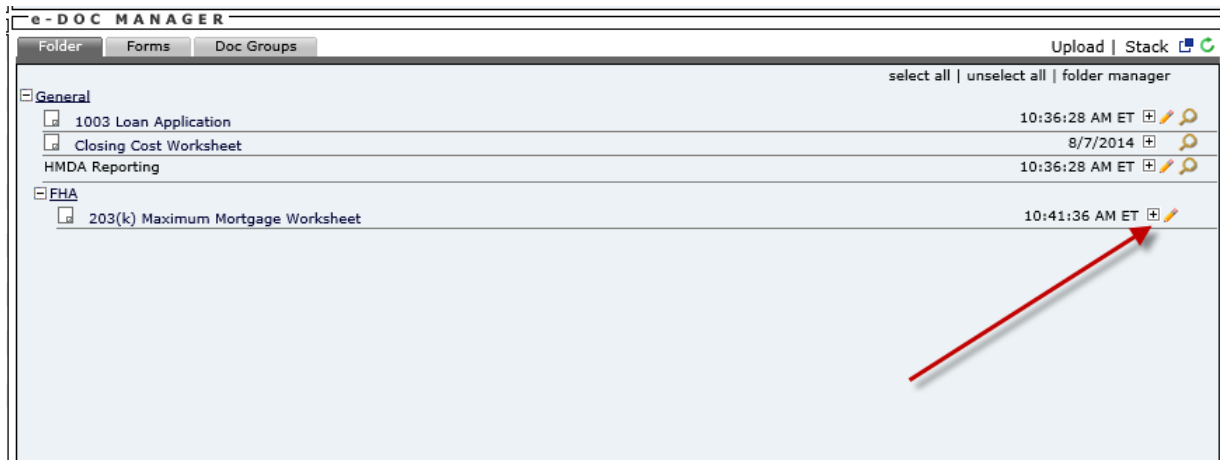
Complete the worksheet (top section)
1. Borrower name and property address should pull through
2. Select the applicable radio buttons for purchaser type, HUD-REO Property, and loan purpose

Complete the worksheet (section A)
1. Box 1 - Sale price (should pull from Loan Info screen)
2. Box 2 - Enter the As-Is value to match the sale price (unless a different as-is value has already been established from an appraisal.) *This is likely infrequent, but possible.*
3. Box 3 - Enter the sum of the sale price and repair cost in the After-Improved Value (for now, this will be updated upon completion of the worksheet)
4. Box 5 - Enter zero
5. Box 6 - Enter zero

3

Complete the worksheet (section B)
1. Line 1 - Enter repair cost from contractor's scope of work
2. Line 2 - Enter the applicable contingency reserve percentage (10% or 15%)
3. Line 3 - Enter the cost of inspection fees and lien searches
4. Line 6 - Enter zero
5. Line 8 - Enter zero
6. Line 9 - Enter zero
7. Line 11 - Supplemental Origination Fee (SORF). Make note of this number, you will need to enter this elsewhere in OpenClose.
8. Line 14 - Total Rehabilitation Cost (LIP amount). Make note of this number, you will need to enter this elsewhere in OpenClose.

Complete the worksheet (section C)
1. This is where the base loan amount calculation happens.
2. Line 3 - Acquisition cost. Make note of this number, you will need to enter this elsewhere in OpenClose.
   a. Manually divide the acquisition cost by 110%, and round that up to the nearest hundred dollars. This will give you the minimum after-improved value. Enter that number in Box 3 in Section A
   b. Note - using the sample transaction in this job aid, this number will be $283,658.86, which will round to $283,700.
3. Line 4 - Enter a sufficient negative number in the adjustments section to adjust down the Base Loan Amount to the nearest whole dollar.
   a. Note - this is typically the amount of the odd-change originally shown in the field plus a few cents.
   b. Make note of this number, you will need to enter this elsewhere in OpenClose.

Complete the worksheet (sections D & E)
1. Enter zeros in all fields

D.	Mortgage Calculation for Refinance Transactions (see note below)	1. Sum of Existing Debt (A1) + Rehabilitation Cost (B14) + Borrower Paid Closing Costs (A5) + Prepaids + Discount on Total Loan Amount minus Discount on Repair Costs (B12) minus FHA MIP Refund ($ 0.00)	$	0.00
		2. Lesser of Sum of As-Is Value (A2) **(Note 1)** + Rehabilitation costs (B14) or 110% of After-Improved Value (A4)	$	0.00
		3. D2 ($ 0.00) X LTV Factor (97.75%) (Owner-Occupant)	$	0.00
		4. Base Mortgage Amount Lesser of D1 or D3 **(Note 5)**	$	0.00
E.	**Calculation for EEM**	1. Energy Efficient Mortgage Amount (C4 or D4) + A6	$	0.00

Complete the worksheet (section F)
1. Enter the applicable UFMIP factor and amount
2. Enter the total escrowed funds from Line B14 above
3. Line 1 - Enter the total loan amount

F.	Summary	UFMIP Factor	UFMIP	Total Escrowed Funds	Interest Rate	Discount Pts.		
		1.750 %	$ 5,269.31	$ 2,124.75	4.250 %			
		1. Total Mortgage Amount with UFMIP (C4, or D4 or E1 + UFMIP)					$	306,372.00

Step Five

Save and return to the loan snapshot

Step Six

Open the Loan Info screen for editing

5

Step Seven

1. Enter the acquisition cost from the worksheet as the appraised value on the Loan Info screen (make certain you include the cents)
2. Enter the base loan amount from the worksheet into the base loan amount on the Loan Info screen (make certain you do *not* include the cents)
3. Note - the down payment percentage and amount will appear to be off. This is normal

Step Eight

Open the 1003 screen for editing

On the Details tab,

1. Line B - enter the LIP amount
2. Line L - enter the SORF as an Other Credit

On the Government Info tab, select "203(k) Purchase, Rehab" from the Section of the Act dropdown menu

If you've completed all of the steps above, your LTV ratios should be in line.

Step Ten

Open the Fees Worksheet for editing

Step Eleven

Select FHA 203(k) Supplemental Origination Fee from the drop down menu, and enter the corresponding dollar amount from the worksheet.

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for:	☐ VA ☑ FHA	☐ Conventional ☐ USDA/Rural Housing Service	☐ Other (explain):	Agency Case Number	Lender Case Number
					88001221

Amount	Interest Rate	No. of Months	Amortization Type:	☑ Fixed Rate ☐ Other (explain):
$ 306,372	4.250 %	360 Amort.Term 360 Loan Term		☐ GPM ☐ ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state & ZIP)	No. of Units
TBD, Arlington, TX 76013	1

Legal Description of Subject Property (attach description if necessary)	Year Built

Purpose of Loan	☑ Purchase ☐ Construction ☐ Other (explain): ☐ Refinance ☐ Construction-Permanent	Property will be: ☑ Primary Residence ☐ Secondary Residence ☐ Investment

Complete this line if construction or construction-permanent loan

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
	$	$	$	$	$

Complete this line if this is a refinance loan

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements ☐ Made ☐ To be Made
	$	$		Cost: $

Title will be held in what Name(s)	Manner in which Title will be held	Estate will be held in: ☐ Fee Simple
Thomas Twoohthreek		☐ Leasehold (show expiration date)

Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)	

VII. DETAILS OF TRANSACTION

a. Purchase price	$ 279,900.00
b. Alterations, improvements, repairs	32,124.75
c. Land (if acquired separately)	
d. Refinance (incl. debts to be paid off)	
e. Estimated prepaid items	535.10
f. Estimated closing costs	4,929.28
g. PMI, MIP, Funding Fee	5,269.30
h. Discount (if Borrower will pay)	
i. Total Costs (add items a through h)	322,758.43
j. Subordinate financing	
k. Borrower's closing costs paid by Seller	
l. Other Credits (explain) Other	474.75
m. Loan Amt (exclude PMI, MIP, Funding Fee financed)	301,103.00
n. PMI, MIP, Funding Fee financed	5,269.00
o. Loan Amount (add m and n)	306,372.00
p. Cash from/to Borrower (subtract j, k, l, & o from i)	15,911.68

VIII. DECLARATIONS

If you answer "yes" to any questions a through i, please use a continuation sheet for explanation.

	Borrower Yes No	Co-Borrower Yes No
a. Are there any outstanding judgments against you?	☐ ☑	☐ ☐
b. Have you been declared bankrupt within the past 7 years?	☐ ☑	☐ ☐
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	☐ ☑	☐ ☐
d. Are you a party to a lawsuit?	☐ ☑	☐ ☐
e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)	☐ ☑	☐ ☐
f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? If "Yes," give details as described in the preceding question.	☐ ☑	☐ ☐
g. Are you obligated to pay alimony, child support, or separate maintenance?	☐ ☑	☐ ☐
h. Is any part of the down payment borrowed?	☐ ☑	☐ ☐
i. Are you a co-maker or endorser on a note?	☐ ☑	☐ ☐
j. Are you a U.S. citizen?	☐ ☐	☐ ☐
k. Are you a permanent resident alien?	☐ ☐	☐ ☐
l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below.	☑ ☐	☐ ☐
m. Have you had an ownership interest in a property in the last three years?	☐ ☑	☐ ☐
(1) What type of property did you own — principal residence (PR), second home (SH), or investment property (IP)?	____	____
(2) How did you hold title to the home — solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?	____	____

203(k) and Streamlined (k) Maximum Mortgage Worksheet

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

See Public Reporting Statement on the back before completing this form (See Notes 1 thru 8 on back)

OMB Approval
No. 2502-0527
(exp. 04/30/2011)

Borrower's Name & Property Address (include street, city, State, and zip code)	FHA Case Number	No. of Units	HUD REO?	☑ Purchase
Thomas T TBD Arlington, TX 76013		1	☐ Yes ☑ NO	☐ Refinance ☑ Streamlined (k) (Note 6) Purchase Date (owned less than 12 months)

Type: ☑ Owner-Occupant ☐ Nonprofit ☐ Government Agency

A. Property Information	1. Contract Sales Price Or ☐ Existing Debt $ 279,900.00	2. 'As-is' Value (Note 1) $279,900.00	3. After-improved Value $ 283,659.00	4. 110% of A3 (Note 8) $ 312,024.90	5. Borrower Paid Closing Costs + Prepaids (Refinance) $	6. Allowable energy Improvements (Note 2)

B. Rehabilitation and Other Allowable Costs		
1. Total Cost of Repairs (Line 36, HUD-9746-A) includes the improvements in A6 and REO Lead Based Paint Stabilization	$	28,500.00
2. Contingency Reserve on Repair Costs (10 %) (10 to 20% of B1)	$	2,850.00
3. Inspection Fees (1 x $ 150.00 per inspection) + Title Update Fee (1 x $ 150.00 per draw)	$	300.00
4. Mortgage Payments Escrowed (months x $) if uninhabited (Note 7)	$	
5. Sub-Total for Rehabilitation Escrow Account (Total of B1 thru B4)	$	31,650.00
6. Architectural and Engineering Fees (Exhibits) (Note 7)	$	
7. Consultant Fees (including mileage, if applicable) ($_____ + _____ miles@ _____/mile) (Note 7)	$	
8. Permits	$	
9. Other Fees (explain in Remarks)	$	
10. Sub-Total (Total of B5 thru B9)	$	31,650.00
11. Supplemental Origination Fee for both 203k and Streamlined (k) (greater of $350 or 1.5% of B10)	$	474.75
12. Discount Points on Repair Costs and Fees (B10x %)	$	
13. Sub-Total for Release at Closing (Total of B6 thru B9 + B11 and B12 (Note 3)	$	474.75
14. Total Rehabilitation Cost (Total of B5 and B13 minus A6) (Streamlined (k) can not exceed $35,000)	$	32,124.75

C. Mortgage Calculation for Purchase Transactions		
1. Lesser of Sales Price (A1) or As-Is-Value (A2)	$	279,900.00
2. Total Rehabilitation Cost (B14)	$	32,124.75
3. Lesser of Sum of C1 + C2 ($ 312,024.80) or 110% of After-Improved Value (A4)	$	312,024.75
4. Base Mortgage Amount: Sum of C3 +(-) Required Adjustment (Note 4) ($ -0.92) x LTV Factor (96.5%) (Owner-Occupant) or Less Allowable Down payment/ HUD-Owned Property ($) (Note 5)	$	301,103.00

D. Mortgage Calculation for Refinance Transactions		
1. Sum of Existing Debt (A1) + Rehabilitation Cost (B14) + Borrower Paid Closing Costs + Prepaids (A5)+ Discount on Total Loan Amt minus Discount on Repair Costs (B12) minus FHA MIP Refund ($ 0.00)	$	
2. Lesser of Sum of As-is Value (A2) (Note 1) + Rehabilitation Cost (B14) ($ 32,124.75) or 110% of After-Improved Value (A4)	$	
3. D2 ($) x LTV Factor (97.75%) (Owner-Occupant)	$	
4. ... Lesser of D1 or D3 (...	$	

	4. Base Mortgage Amount Lesser of D1 or D3 (Note 5)					$	
E. Calculation for EEM	1. Energy Efficient Mortgage (EEM) Amount (C4 or D4) + A6 (Note 2)					$	

F. Summary	UFMIP Factor		UFMIP	Total Escrowed Funds		Interest Rate	Discount Pts	
	1.750 %		$ 5,269.31	$ 32,124.75		4.250 %		
	1. Total Mortgage Amount with UFMIP (C4, or D4 or E1 + UFMIP)						$ 306,372.00	

DE Underwriter's Signature, Title & Date — CHUMS No.

Borrower's Signature & Date (Optional) — **Co-Borrower's Signature & Date (Optional)**

Notes:
1. If owned less than 1 year, use lesser of A2 or Original Acquisition Cost plus Debts incurred for rehabilitation since acquisition.
2. Refer to Mortgagee Letters 05-21, 95-46, and 93-13.
3. These Allowable Costs may be released at closing, provided paid receipts or contractual agreements requiring payment are obtained
4. Required Adjustments would include additions such as financeable repairs and improvements, energy related weatherization items, and solar energy systems, as well as subtractions including sales concessions in excess of six percent of the sales price, inducements to purchase, personal property items, etc., all as per HUD Handbook 4155.1 (May also include HUD REO Lead Based Paint Credit.)
5. Maximum Mortgage before UFMIP not to exceed statutory limit.
6. See ML 2005-50.
7. Not applicable to Streamline 203(k) transactions.
8. If Condominimum limit to 100% of A3

Addendum M
Mortgage Credit Certificates

Loan Products with Mortgage Credit Certificate – Data Entry in OpenClose

Mortgage Credit Certificates:
States and municipalities can issue Mortgage Credit Certificates (MCCs) in place of, or as part of, their authority to issue mortgage revenue bonds. MCCs enable an eligible first-time home buyer to obtain a mortgage secured by his or her principal residence and to claim a federal tax credit for a specified percentage (usually 20% to 25%) of the mortgage interest payments.

Per Freddie: • The amount of credit per mortgage loan is capped by the Internal Revenue Service at $2,000 per year

The data entry method in OpenClose varies depending on the loan type and Product. MCCs can be used on FHA, VA and Conventional loans. The Fannie Mae HomeReady, and Freddie Mac Home Possible are conventional products that allow MCCs. MCC monthly credit amounts *must* be entered correctly in OpenClose to be processed correctly by DU or LP.

Conventional Loans:
For a proper calculation of DTI treat the maximum possible MCC income as an addition to the borrower's income, rather than a reduction to the amount of the borrower's mortgage payment. Use the following calculation when determining the available income:

[(Mortgage Amount) x (Note Rate) x (MCC %)] ÷ 12 = Amount added to borrower's monthly income.

For example, if a borrower obtains a $100,000 mortgage that has a note rate of 7.5% and he or she is eligible for a 20% credit under the MCC program, the amount that should be added to his or her monthly income would be $125 ($100,000 x 7.5% x 20% = $1500 ÷ 12 = $125).

The user should input the monthly amount on the **Edit 1003 screen**, **Income tab** and use **Income type Mortgage Credit Certificate.**

FHA Loans:
The amount of the monthly MCC should be entered on the **Edit 1003 screen, Government tab** in the **Mortgage Credit Certificate $:** field as a monthly amount. The system will deduct the amount of the MCC from the proposed P&I. This field should only be completed if the funds are coming from a MCC issued by a federal, state, or local agency. All other housing allowances should be entered as other income in Section V of the 1003 (income tab).

VA Loans:

If the applicant has a **Mortgage Credit Certificate**, reduce the Federal income tax by the estimated tax credit. The amount of the monthly **MCC** should be deducted from the estimated monthly Federal income tax and the difference should be entered on the **Government Tab** in the **Federal Tax $:** field. For a VA loan, the monthly Mortgage Credit Certificate amount may not exceed $2000 annual, or $167.00 monthly. The amount of the MCC will be deducted from the expense thus, increasing the residual income. The income tax payroll deduction amount does not affect the DTI on a VA loan. The VA loan analysis form uses this formula: Ratio (Sum of items 15, 16, 17, 18, 20 and 40 / sum of items 31 and 38). The deduction amount is shown on line 36 but is not part of the formula above.

Note: If there is value in the **MCC $** field on the **Edit 1003** screen**, Government tab,** and an **Income Type** of **MCC** on the **Edit 1003** screen**, Income Tab** and the loan is submitted to **DU**, **DU** will return this message: "This loan casefile is ineligible because an MCC amount was listed in both the Other Income and the Government section of the loan application."
[from the FNMA Selling Guide B3-3.1-09: Other Sources of Income (09/29/2015)].

Introducing OpenClose's *QM Evaluation and ATR Summary* Screen

QM Evaluation and ATR Summary

QM - Qualified Mortgage

QM Type
- There are four QM Types
    - General QM
    - Temporary QM
    - Small Creditor Balloon QM
    - Small Creditor Balloon QM
1) General QM
    OpenClose's *QM Evaluation and ATR Summary* will display the QM Type Evaluated along with its components under the Test heading, plus Actual Loan Data and Result

    QM TYPE EVALUATED – GENERAL QM

Examined:	1/3/2014
Examination Result:	Non QM / No Safe Harbor

    a) There are 6 components of the QM Test:

    Test
    Points & Fees:
    DTI:
    Loan Term:
    Balloon Payment:
    Negative Amortization:
    Interest Only:

    i) Points and Fees Analysis

    QM POINTS & FEES ANALYSIS

    (1) The amount included in Points and Fees is NOT equal to the Finance Charges for APR; although there are some similarities. First, points and fees calculation are those fees known at or before loan consummation. Second, unless specified, closing costs that a creditor pays and recoups from the consumer over time and THROUGH the interest rate are NOT counted in points and fees. Your Administrator determines which fees are part of the QM Points and Fees Analysis

(a) There are 6 Categories to explore, and depending on how your company is structured and priced, fees may or may not apply:
  (i) Finance Charges
  (ii) LO Compensation
  (ii) Real Estate Related Fees
  (iv) Premiums for credit insurance, et al where the creditor is the beneficiary or debt is cancelled or there is suspension of coverage payments. This does NOT include Hazard/Homeowner's insurance.
  (v) Maximum Prepayment Penalty
  (vi) Prepayment Penalty paid in a refinance
    1. There are two new fields on the 1003

Prepayment Penalty on Refinance:	
In-House Refinance:	✔

      a. Prepayment Penalty on Refinance (dollar amount)
      b. In-House Refinance (checkbox)
      c. For calculations regarding Prepayment Penalty, see The QM Test, Appendix A
(2) If the creditor or the originator has affiliated arrangements, the entire amount of the charge will be included in the points and fees calculations. For instance, if your company has an affiliated title company, whether or not you use them the entire amount of the title charges will be in your points and fees calculations.   This doesn't mean the difference between what you charge and what the market charges
  (a) If the payee on a fee is an Affiliate, it will be displayed like this:

Paid To

Lender	⌄
Originator	⌄
Investor	⌄
Other	⌄
Borrower	⌄
BrokerAffiliate	⌄
LenderAffiliate	⌄
Service Provider	⌄

(3) PMI that is paid upfront AND is refundable on a pro-rated basis AND it is automatic, you only need to use the difference between that amount and the amount of an FHA upfront premium. See QM Test in Appendix A which explains how this is calculated for you in OpenClose.

Automatic Refundable Upfront MI:	✔	

(4) Any Seller points are excluded from the points and fees calculation, to the extent that they are presently excluded under Finance Charges.

2

(5) The fees are populated onto the GFE Fees, Closing Fees and Funding Fees screens either via the selection of the Closing Cost Scenario or user data entry, or a combination of both

   (a) From these screens, the Points and Fees Included in the QM Test and the Points and Fees Excluded from the QM Test are listed in detail on the *QM Evaluation and ATR Summary*

QM POINTS & FEES ANALYSIS

Points & Fees Included

GFE Ln #	PFC	Fee Name	Paid To	Amount
902	X	Mortgage Ins Prem	Service Provider	285.00
1201	X	Recording Fees	Other	175.00
1204		1204 - fee	Lender	99.00
1101	X	Closing/Escrow Fee	Service Provider	50.00
1113		Owners Title Insurance	Service Provider	750.00
1112		Closing Service Letter	LenderAffiliate	101.00
802	X	Loan Discount	Lender	1,634.38
801	X	Loan Origination Fee	Lender	750.00
810	X	Processing Fee	Lender	150.00
811	X	Underwriting Fee	Lender	75.00
812	X	Wire Transfer Fee	Lender	25.00
813	X	Flood Cert (Life of Loan)	Service Provider	25.00
814	X	800 Fee 2	Lender	14.00
815	X	800 Fee 3	Lender	15.00
821	X	Test 800 Fee 9	Lender	100.00
1301	X	Plat Drawing	Service Provider	13.01
1303		1300 Fee 1	LenderAffiliate	13.03

Points & Fees Excluded

GFE Ln #	PFC	Fee Name	Paid To	Amount
902	X	Mortgage Ins Prem	Service Provider	2,493.75
901	X	Prepaid Interest	Lender	19.17
904		Flood Insurance	Service Provider	350.00
906		Other Insurance	Service Provider	100.00
1203		State Tax/Stamps	Other	500.00
1202		City/County Tax/Stamps	Other	500.00

   (i) The *QM Evaluation and ATR Summary* also includes a Result area (in gray, on the right). The Result area includes

1. Note Loan Amt
2. QM Points & Fees Cap
3. Total Loan Amt
4. QM Points Cap Amt
5. QM Points & Fees On Loan
6. QM Points & Fees Cushion
7. Max Eligible Points
8. Discount Points
9. Bona Fide Points
10. Undiscounted Rate
11. Undiscounted Rate Date
12. Undiscounted Price
13. Undiscounted Points

Result

Note Loan Amt:	$145,278.00
QM Points & Fees Cap:	3.00%
Total Loan Amt:	$141,288.84
QM Points Cap Amt:	$4,238.67
QM Points & Fees On Loan:	$4,274.42
QM Points & Fees Cushion:	$(35.75)

Bona Fide Points

Max Eligible Points:	2.000%
Discount Points:	1.375%
Bona Fide Points:	1.125%
Undiscounted Rate:	5.000%
Undiscounted Rate Date:	1/2/2014
Undiscounted Price:	99.75
Undiscounted Points:	0.25

Good Faith Estimate / Closing Fees / Funding Fees
1) Bona Fide Discount
   a) A discount point is "bona fide" if it reduces the consumer's interest rate by an amount that reflects established industry practices, such as secondary mortgage market norms.
   b) It can exclude up to 2 bona fide discount points if the interest rate before the discount does not exceed the APOR for a comparable transaction by more than 1 percentage point, and it can exclude up to 1 bona fide discount point if the interest rate before the discount does not exceed the APOR for a comparable transaction by more than 2 percentage points.
   c) OpenClose has added new fields to support these calculations. There are also two new icons on the Loan Discount line of GFE Fees:
      i) Set Bona Fide Points
         (1) In this pop up the Bona Fide Points and Amount display
      ii) Auto-Calc Bona Fide Points (enabled)
         (a) If the user clicks on this icon, then the Bona Fide Points in the pop up become editable
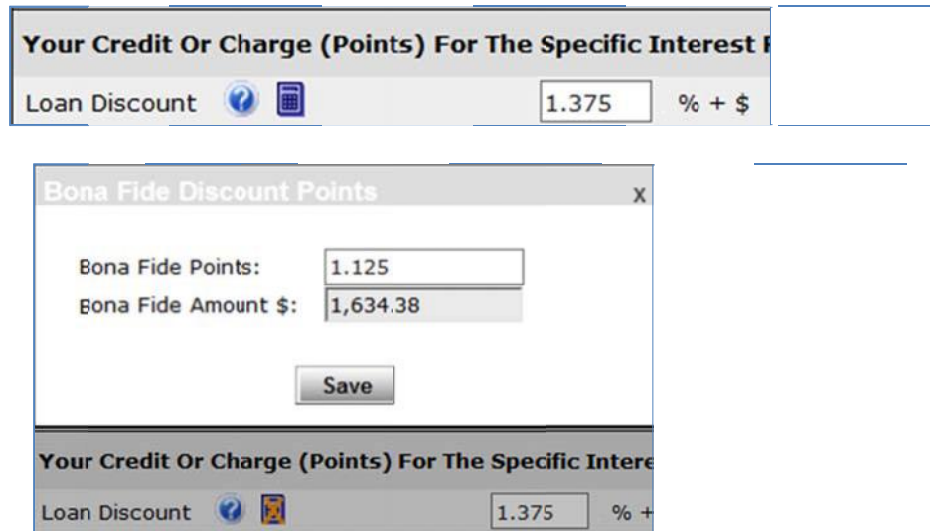
      iii) Note that OpenClose is handling this calculation for you. As long as the override is not enabled, the system will calculate the Bona Fide Points and display the results on the *QM Evaluation and ATR Summary* in the gray box on the right as part of the QM Points & Fees Analysis
2) For an in-depth list of new fields, see Appendix D.

ii) Other QM components of DTI, Loan Term, Balloon Payment, Negative Amortization and Interest Only will also display on the *QM Evaluation and ATR Summary*
   (1) See Appendix A for details on the QM Test

Test	QM Requirements	Actual Loan Data	Result
Points & Fees:	<= 4,238.67	$4,274.42	FAIL
DTI:	<= 43.00%	24.580%	PASS
Loan Term:	<= 30 Years	30 Years	PASS
Balloon Payment:	No	Amort Term=360 | Due In=360	PASS
Negative Amortization:	No	No	PASS
Interest Only:	No	No	PASS

b) Liability Protection
   i) Safe Harbor and Rebuttal Presumption
      (1) Qualified Mortgages can have two levels of liability protection; the level of protection is determined by comparing a loan's APR with the Average Prime Offer Rate (APOR) at the time the rate is set. The Safe Harbor threshold for Qualified Mortgages aligns with the established HPML threshold of APOR plus 1.50%. Loans exceeding the Safe Harbor threshold are considered Rebuttable Presumption Qualified Mortgages.
      (2) OpenClose's *QM Evaluation and ATR Summary* will display the Liability Protection, the Threshold and the Result
         (i) This section will display the APOR value including the date, the Lock Date, Amortization Type, First Adjustment if any, and Lien Position.
         (ii) This section will include the Threshold and the Result
      (3) For information on calculations related to APOR, Threshold vs Current APR and Safe Harbor and Rebuttal Presumption, see Appendix B

Liability Protection:

APOR:	4.540 (12/30/2013)	**Threshold**	**Result**
Lock Date:	1/2/2014 4:21:24 PM	APOR + 1.5 = 6.04	Safe Harbor
Amort Type:	Fixed Rate	**CURRENT LOAN DATA**	
First Adjustment:	1/1/0001	APR = 5.339	
Lien Position:	Primary		

2) Temporary QM
   a) Loans eligible for purchase or guarantee FNMA/FHLMC, FHA/VA/USDA with a 3% points and fees restriction are eligible for Temporary QM
   b) The Underwriter can flag a loan as Temporary QM on the Underwriting screen under the new tab, QM Assessment. Here the Underwriter should also indicate which guidelines are being used for QM Type Temporary QM

Details	UW Worksheet	UW Eval - ATR	QM Assessment	AUS Findings	HMDA	Conditions	Custom	Response

QM Assessment

QM Type: Temporary QM   QM Type Set By: bean opener

Purchase/Guarantee Guidelines: Fannie Mae   Purchase/Guarantee Guidelines Set By: bean opener

Test	QM Requirements	Actual Loan Data	Result
Points & Fees:	<= 4,238.67	$4,274.42	FAIL
DTI:	<= 43.00%	24.580%	PASS
Loan Term:	<= 30 Years	30 Years	PASS
Balloon Payment:	No	Amort Term=360	Due In=360	PASS
Negative Amortization:	No	No	PASS
Interest Only:	No	No	PASS
	Threshold	**Actual Loan Data**	
Liability Protection:	4.540 (APOR) + 1.5 = 6.04	APR = 5.388%	No Safe Harbor

3) Small Creditor QM and Small Creditor Balloon QM
    a) If you have less than $2B in assets and originate 500 or fewer first mortgages per year, loans you make and hold in portfolio are QMs as long as you have considered and verified a borrower's debt-to-income ratio (though no specific DTI limit applies).
    b) Small Creditor QM and Small Creditor Balloon QM types can be designated on the Underwriting screen under the new tab, QM Assessment.

Non-QM
    a) The following loan features exclude the loan from QM
        i) HELOC
        ii) Reverse Mortgage
        iii) Vacant Land
        iv) Time Share
        v) Bridge Loans for 12 months or less
        vi) Construction 12 months or less

ATR – Ability To Repay

1) The ATR rule sets forth minimum requirements for demonstrating a consumer's ability-to-pay including (but not limited to) evaluation of the following:
    a) Current or reasonably expected income or assets
    b) Employment status
    c) Monthly payment for the loan being requested
    d) Monthly payment(s) on any related loan(s)
    e) Monthly payments for mortgage-related obligations
    f) Current debt obligations, alimony and child support
    g) Monthly debt-to-income (DTI) ratio or residual income
    h) Credit history as determined by a credit repository

2) To support this, OpenClose's *QM Evaluation and ATR Summary* will include the following sections:
    a) A QM Qualify Rate section which will display the components of the QM Qualify Rate, QM Ratios, Residual Income and other elements that may determine the borrower's ATR.

QM QUALIFY RATE

QM Qualify Rate:		Monthly Payments & Ratios:		Funds Summary:	
Note Rate:	4.750%	First Mortgage P&I:	$757.84	Cash From Borrower:	$15,424.64
1st Adj Cap:	%	Other Financing P&I:	$0.00	Cash Out Amount:	$0.00
1st Adj Period:		Hazard Insurance:	$53.00	Gift Funds Amount:	$2,000.00
Adj. Cap:	%	Real Estate Taxes:	$86.00	Gift Funds Source:	Mom & Dad Miller
Adj. Period:		Monthly Mortgage Ins:	$66.59	Total Closing Costs:	$10,070.64
Life Adj. Cap:	%	HOA Fees:	$35.00	Funds Required to Close:	$15,424.64
Margin	%	Other:	$0.00	Cash Available:	$40,500.00
Index:	0.000%	Total Monthly Payment:	$998.43	Reserves:	$25,075.36
Index Name:		Total Fixed Payments:	$1,290.43	Reserve In Months:	19
				Residual Income	
QM Qual Rate:	4.750%	QM Total Housing Ratio:	19.020%	Total Gross Income:	$5,250.00
Monthly Payment:	$757.84	QM Total Debt Ratio:	24.580%	Total Fixed Payments:	$1,290.43
				Residual Income:	$3,959.57

b) Borrower information including Credit Scores

BORROWER INFORMATION

Borrower	Credit Scores		
Patrick P Purchaser	670	661	675
Lorraine L Purchaser	678	670	663
Jim A Borrower2	801	795	810
Jill A Borrower2	805	810	815
Bob B Borrower3	790	825	800

c) Income Information including type of income and verification source for each type as input on the 1003.

INCOME INFORMATION

	Patrick P Purchaser	Lorraine L Purchaser	All Additl Borrowers	Grand Total
Base Income:	6000.00	7250.00	750.00	14000.00
Overtime:	0.00	0.00	0.00	0.00
Bonus:	0.00	0.00	0.00	0.00
Commissions:	0.00	0.00	0.00	0.00
Dividends/Interest:	0.00	0.00	0.00	0.00
Other:	0.00	0.00	5000.00	5000.00
Subtotal:	6000.00	7250.00	5750.00	19000.00
Net Rental:	-42.00	0.00	242.00	200.00
Subject Net Cash:	147.63	0.00	0.00	147.63
			Total Income:	19347.63

Borrower	Income Source	Amount	Verification Source
Patrick P Purchaser	Base Employment Income	6000.00	W-2 Form
Patrick P Purchaser	Net Rental Income	-42.00	Tax Returns
Patrick P Purchaser	Subject Property Net Cash Flow	147.63	Tax Returns With Schedules - 2 Years
Lorraine L Purchaser	Base Employment Income	7250.00	Paystubs
Jim A Borrower2	Base Employment Income	750.00	Paystubs
Bob B Borrower3	Other Type of Income, Other Income	5000.00	Tax Returns With Schedules - 2 Years
Bob B Borrower3	Net Rental Income	242.00	Rental Agreement

d) Asset Information including type of asset and amount

ASSETS

Borrower	Asset Type	Institution Name/Description	Acct #	Amount
Patrick P Purchaser	Checking Account	Fulton Bank	58-65454	7500.00
Patrick P Purchaser	Other Non-Liquid Asset Type	PNC	59-9878778	5000.00
Patrick P Purchaser	Gift	Mom and Dad	60-8989877	500.00
Patrick P Purchaser	Savings Account	Wells Farge	61-5445545	20000.00
Lorraine L Purchaser	Money Market Fund	Suquehanna Bank	10-65464564	20000.00
Lorraine L Purchaser	Retirement Funds	T Rowe Bank	11-52545554	343769.00
Jim A Borrower2	Savings Account	zBank One	20-55645	25000.00
Bob B Borrower3	Mutual Funds	wBank Two	30-55544478	75000.00

e) Liability Information including Mortgages To Be Paid Off, Liabilities To Be Paid Off, Liabilities Included and Liabilities Excluded.

LIABILITIES

Mortgages To Be Paid Off

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source
Patrick P Purchaser	Mortgage	ACE MORTGAGE	746.00	48514.00	Credit Report
Patrick P Purchaser	HELOC	ENLIGHTENED BANK	245.00	15000.00	Credit Report

Liabilities To Be Paid Off

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source
Patrick P Purchaser	Revolving Charge Account	MERRY CREDIT	79.00	2663.00	Credit Report
Lorraine L Purchaser	Revolving Charge Account	Credit PO M	125.00	4500.00	Credit Report

Liabilities Included

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source
Patrick P Purchaser	Revolving Charge Account	NO NONSENSE CREDIT	75.00	2530.00	Credit Report
Patrick P Purchaser	Revolving Charge Account	TROUBLING CARDS	100.00	2000.00	Credit Report
Patrick P Purchaser	Revolving Charge Account	POLITE CREDIT	10.00	253.00	Credit Report
Lorraine L Purchaser	Installment Loan	Bank Installment	150.00	7000.00	Credit Report
Lorraine L Purchaser	Revolving Charge Account	Kohls	75.00	1200.00	Credit Report
Lorraine L Purchaser	Revolving Charge Account	Credit PO M	125.00	4500.00	Credit Report
Jim A Borrower2	Mortgage	Bank One Mortgage	500.00	35000.00	Periodic Statement
Patrick P Purchaser	Child Support	Jamie Purchaser	125.00		Court Order
Patrick P Purchaser	Alimony	Jillian Michaels	50.00		Final Divorce Decree
Patrick P Purchaser	Job Related Expense	Solutions Inc	60.00		Periodic Statement
Patrick P Purchaser	Other Expense Type	Other Expense Inc.	70.00		Voluntary Payment Agreement
Patrick P Purchaser	Separate Maintenance Pmt	Sep Maint Miller	80.00		Legal Separation Agreement

Liabilities Excluded

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source
Patrick P Purchaser	Mortgage	ACE MORTGAGE	746.00	48514.00	Credit Report
Patrick P Purchaser	Mortgage	BEST MORTGAGE	233.00	22754.00	Credit Report
Patrick P Purchaser	HELOC	ENLIGHTENED BANK	245.00	15000.00	Credit Report
Patrick P Purchaser	Revolving Charge Account	MERRY CREDIT	79.00	2663.00	Credit Report
Patrick P Purchaser	Revolving Charge Account	SANE CREDIT	25.00	81.00	Credit Report
Patrick P Purchaser	Mortgage	Bank Rental	1250.00	225000.00	Note & Deed for Subordinate Lien
Lorraine L Purchaser	Installment Loan	Bank One	150.00	1200.00	Credit Report
Lorraine L Purchaser	Installment Loan	Bank Third	120.00	1000.00	Credit Report
Bob B Borrower3	Mortgage	Bank 3 Mortgage	750.00	65000.00	Other Verification Source

7

f) Employment Information.

Borrower	Employer	Employer Type	Employment Status	Self Employed	Present Emp	Verification Source
Patrick P Purchaser	Ammanom	Primary Employer	Full-Time	No	Yes	W-2 Forms - Last 2 Years
Patrick P Purchaser	Big Bank	Secondary/Previous	Part-Time	No	Yes	Paystubs
Patrick P Purchaser	Bill's Hot Sauce	Secondary/Previous	Full-Time	No	No	Other Employment Status Verification
Lorraine L Purchaser	Baddabap	Primary Employer	Self-Employed	Yes	Yes	Tax Returns With Schedules - 2 Years
Jim A Borrower2	Borrower 2 Employer	Primary Employer	Seasonal	No	Yes	IRS Form 2106
Jill A Borrower2	CoBorrower 2 Employer	Secondary/Previous	Retired	No	No	Tax Returns
Bob B Borrower3	Borrower 3 Employer	Primary Employer	Self-Employed	Yes	Yes	Current P&L/Balance Sheet

3) Underwriting Evaluation – Ability to Repay
   a) There is a new tab on the Underwriting screen, UW Eval – ATR
   b) On this screen the Underwriter can flag individual items with Yes, No or N/A. These fields are not required
   c) The Underwriter can also indicate Exemptions on the bottom including:
      i) Business Purpose Loan Indicator
      ii) Reason Type
      iii) Loan Program Type
      iv) Creditor Org. Type

Underwriting Evaluation - Ability to Repay

Field	Value	Reviewer's Name
Monthly Loan Payment Eval Flag	Yes	bean opener
Monthly Other Loan Pmts Eval Flag	Yes	bean opener
Monthly Mtg Related Oblig Eval Flag	No	bean opener
Debt Obligation Eval Flag	N/A	bean opener
Child Support Eval Flag	N/A	bean opener
Alimony Eval Flag	No	bean opener
Current Employment Status Flag	Yes	bean opener
Current or Expected Income Eval Flag	Yes	bean opener
Current or Expected Assets Eval Flag	N/A	bean opener
Credit History Eval Flag	No	bean opener
DTI Ratio Eval Flag	Yes	bean opener
Residual Income Eval Flag	N/A	bean opener

Exemptions

Field	Value	Reviewer's Name	Other Description
Business Purpose Loan Indicator	No	bean opener	
Reason Type	Loan Program	bean opener	Other Desc RT
Loan Program Type	Other	bean opener	Other Desc LP
Creditor Org. Type	Nonprofit Organization	bean opener	Other Desc COT

8

Compensation

The following updates have been made to the Lock Form screen, the Price/Lock screen, and the Lock Response screen

1) Lock Form
    i)   The following fields are displayed so the user can input the values:
         (1) LO Compensation Percent
         (2) Percent plus a Dollar Value
         (3) Total Dollar Value (this will auto-calculate)

    ii) If the Origination Channel = Retail, AND your default is set to "autofill GFE", then this information will NOT update to the GFE Fees
    iii) Note, the Lock Form document (in eDoc Manager) and the Registration/Lock Confirmation will ONLY display the Total Compensation Amount

2) Price Lock
    i)   If the Compensation Type = Borrower Paid Compensation, then the following fields are displayed so the user can input the values:
         (1) LO Compensation Percent
         (2) Percent plus a Dollar Value
         (3) Total Dollar Value (this will auto-calculate)

    ii) If the Origination Channel = Retail, AND your default is set to "autofill GFE", then this information will NOT update to the GFE Fees
    iii) If the Compensation Type = Lender Paid Compensation, then only the total calculated compensation amount from DecisionAssist will display after the rate/price/term has been selected
         (1) If the Total Compensation Amount is the Minimum Amount, then MIN will be displayed:

(2) If the Total Compensation Amount is the Maximum Amount, then MAX will be displayed:

(3) If Compensation Type = Lender Paid Compensation AND the Origination Channel = Retail AND if your default is set to "autofill GFE" then the GFE Fees Loan Credit will automatically be updated

iv) Note, the Standard Lock Form document (in eDoc Manager) and the Registration/Lock Confirmation will ONLY display the Total Compensation Amount

3) Lock Response

i) On the bottom, left side of the screen, if the Compensation Type = Borrower Paid Compensation, then it will display

(1) LO Compensation Percent

(2) Percent plus a Dollar Value

(3) Total Dollar Value (this will auto-calculate)

(4) If the Compensation Type = Borrower Paid, AND the Origination Channel = Retail, AND your default is set to "autofill GFE", then this information WILL update to the GFE Fees

ii) If the Compensation Type = Lender Paid Compensation, then only the total calculated compensation amount from DecisionAssist will display

iii) The user can click on the (i) icon to access a pop up that will display (view only) the Originator Compensation Plan Information.

(1) Details include:

(a) Comp Plan Name

(b) Comp %

(c) Comp $

(d) Min $

(e) Max $

(f) LO Percentage

iv) If the user checks the Override box, then the LO Compensation details become editable, but only for this one loan:

LO Compensation: (%) 1.500 + ($) 250.00 = ($) 2,500.00 (MAX) ⓘ
☑ Override

v) If the Compensation Type = Lender Paid Compensation AND the Origination Channel = Retail AND if the default is set to "autofill GFE" then the GFE Fees WILL update.

vi) If the Compensation Type = Lender Paid Compensation AND the user manually changes the values (Overrides), AND if the Origination Channel = Retail AND if the default is set to "autofill GFE" then the GFE Fees will NOT update.

Appendix A

The QM Test

OpenClose will evaluate the data entered in the loan and display the results on the *QM Evaluation and ATR Summary.* The following information includes the calculations behind the evaluation.

There are 6 components to the QM Test:
1) Points & Fees
2) DTI
3) Loan Term
4) No Balloon Payments
5) No Negative Amortization
6) No Interest Only

1) Points & Fees Test
   a) OpenClose will total the Fees flagged as QM from the GFE Fees screen.
   b) NOTE: your administrator has determined if a fee is a QM flagged fee or not. So similar to PFC - Prepaid Finance Charge used to calculate APR, if the fee is flagged as a QM fee then it will be counted EXCEPT in the following situations:
      i) If Fee is NOT checked as a QM fee, BUT the fee is set to be paid to an "Affiliate", then it will be included as a QM Fee
      ii) If there is a Prepayment Penalty Amount on the 1003, then it is included in the QM Fee calculation
      iii) If there is a prepayment penalty on the payoff of the loan being paid off on a refinance and the loan is with the current lender, then the penalty will be counted in the QM Fee total
         (1) This is captured on the 1003 on the new fields: Prepayment Penalty on Refinance and In-House Refinance
      iv) If either GFE Fees Credit [line 851] or Credit [line 852] has the Lender Paid Comp flag checked, then the amount will be included in QM Fee total
      v) Mortgage Insurance GFE Fees Line 902
         (1) The new checkbox field, Auto Refundable Upfront MI, will affect the following:
            (a) 1st Test: IF Loan Type = FHA, VA or USDA, then NOT included
            (b) 2nd Test: IF Loan Type NOT equal to FHA, VA, USDA AND PAID BY = Lender, then NOT included
            (c) 3rd Test: IF loan type is NOT an FHA, VA or USDA loan type AND is NOT Paid By Lender AND "Auto Refundable Upfront MI" is NOT Checked, THEN include the total amount of line 902
            (d) 4th Test: IF loan type is NOT an FHA, VA or USDA loan type AND is NOT Paid By Lender AND "Auto Refundable Upfront MI" is Checked, THEN include any amount that is greater than zero based on the difference between line 902 and the calculated cost of FHA up-front MIP (current value is 1.75%)
               (i) For example:
                  1. Loan amount 100,000 MI (line 902) is $2000.00; $2000.00 - (100,000.00 x 1.75%) = $250.00 So in this example $250.00 would be included.

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2. Loan amount 100,000 MI (line 902) is $1650.00; $1650.00 - (100,000 x 1.75%) = -100.00, in this example nothing of the line 902 would be included.

(2) Discount and Bona Fide Discount, GFE Line 802
    (a) Up to 2 Bona Fide Discount points can be excluded if the interest rate before the discount does not exceed the APOR for a comparable transaction by more than 1 percentage point and it can be excluded up to 1 Bona Fide Discount point if the interest rate before the discount does not exceed the APOR for a comparable transaction by more than 2 percentage points.
        (i) The GFE Fees, Discount line, now includes a pop up that displays the Bona Fide Discount points and Bona Fide Amount total which is the total loan amount (with financed MI) times the Bona Fide Discount Points
            1. The user can override the Bona Fide Discount Points amount

2) **DTI Test**
    a) The QM Requirement is that the DTI does not exceed 43%
    b) OpenClose will calculate a separate DTI – the QM DTI – based on the QM Qualifying Rate
        i) IF QM calculated DTI is less than or equal to 43% = PASS
        ii) IF QM calculated DTI is greater than 43% = FAIL
        iii) Calculation of the QM DTI:
        iv) This is calculated the same way OpenClose calculates DTI today, based on qualifying rate, with one difference:
            (a) If the loan is an Adjustable Rate Mortgage, OpenClose determines the rate to use to calculate the monthly payment for QM DTI as follows:
                (i) Use the greater of the introductory rate (if any) or the fully-indexed rate (i.e., the interest rate that results from adding the maximum margin permitted at any time during the term of the transaction to the value of the index rate in effect on the date you set the interest rate for the transaction).

3) **Loan Term**
    a) <= 30 years
    b) 1003 - Months DUE must be filled in
    c) IF Months Due is less than or equal to 360 = PASS
    d) IF Months Due is greater than 360 = FAIL

4) **No Balloon Payments**
    a) 1003 - Months DUE must be filled in
        i) IF Months Due is equal to Amortization Term = PASS
        ii) IF Months Due is less than Amortization Term = FAIL
    b) Small Creditor Balloon QM
        i) IF the following tests PASS AND QMType = "Small Creditor Balloon QM" THEN the result = "Small Creditor Balloon QM"
            (1) Loan Term Test
            (2) Negative Amortization Test
            (3) Interest Only Test
            (4) Points & Fees Test
        ii) NEW Balloon Test: WHEN QMType = Small Creditor Balloon QM, then

(1) 1003 - Months DUE must be filled in
    (a) IF Months Due < Amortization Term = PASS
    (b) IF Months Due >= Amortization Term = FAIL
iii) DTI
    (1) QM Requirements will display the Result = "Small Creditor", otherwise "Non QM"

Appendix B

Liability Protection Test

OpenClose will evaluate the data entered in the loan and display the results on the *QM Evaluation and ATR Summary.* The following information includes the calculations behind the evaluation.

```
Liability Protection:
APOR:              4.540 (12/30/2013)    Threshold              Result
Lock Date:         1/2/2014 4:21:24 PM   APOR + 1.5 = 6.04      No Safe Harbor
Amort Type:        Fixed Rate            CURRENT LOAN DATA
First Adjustment:  1/1/0001              APR = 5.388
Lien Position:     Primary
```

1) There are 2 levels of Liability Protection: Safe Harbor and Rebuttable Presumption
   a) The level of protection is determined by comparing a loan's APR with the Average Prime Offer Rate (APOR) at the time the rate is set.
      i) OpenClose will automatically look up and populate the appropriate APOR from FFIEC
         (1) This will display on the *QM Evaluation and ATR Summary*

```
Liability Protection:
APOR:              4.540 (12/30/2013)
Lock Date:         1/2/2014 4:21:24 PM
Amort Type:        Fixed Rate
First Adjustment:  1/1/0001
Lien Position:     Primary
```

   b) The Safe Harbor threshold for Qualified Mortgages aligns with the established HPML threshold of APOR plus 1.50%.
      i) This calculation and total will display on the *QM Evaluation and ATR Summary*

```
Threshold              Result
APOR + 1.5 = 6.04      No Safe Harbor
CURRENT LOAN DATA
APR = 5.388
```

   c) Loans exceeding the Safe Harbor threshold are considered Rebuttable Presumption Qualified Mortgages. This result will display on the *QM Evaluation and ATR Summary*
   d) Note, IF FHA
      i) IF loan is a First Mortgages AND the loan is an FHA Loan
      ii) IF APR is less than or equal to (APOR + 1.15 + Annual MIP) AND loan is a QM Mortgage = Safe Harbor
      iii) IF APR is greater than (APOR + 1.15 + Annual MIP) AND loan is a QM Mortgage = Rebuttable Presumption
      iv) Otherwise No Safe Harbor

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Appendix C

Images of New Screens and Fields

Listed Alphabetically by Screen Name

1003

ConstnJction Flag: ○Yes@ No	Lender Case Number: IsTG- CI• 30 YR
Forst Time-Home Buyer: V	Prepayment Penalty on Refinance:
Prepayment Penalty: Exists ○ Amount $	In-House Refinance: ○

Delete ○ Create verification ○

Name Of Employer; Abaca-b======::-...JI	Self Employ d?:
Position/Title: Manager _____ V ;-	Present Employer?: Yes V
Eflllloyer Type: Primary Employer ___ V ;-	Employment Status: Full, me — —v.1
Address: 100 M31n St	Employment Status Comments: salaned
Zip: Isoo66	Employment Venficabon Source: VOE V
City: joawson	Employnent Status Venficatton Source Other Desc i
state ꞊	Time At Job (Years):
Phone: CSSS) 555·1212	Time At Job (Months): D
	'Vears In This Profession: r !

Gross Monthly Income for A11ce Flf"sbrner   Income has been verified

Delete	Income Type	Monthly Income Amount	Income Verification Source	Other Verificc:ttlon Source Description
	B••• Employm•nt Incom•======V	S S.000.00	W2 Form·L••t 2 Y••rs=====v.I	1 Yrs 2013 and 2012
○	overtime V	S 2s0.00	Paystubs V	j12/28/2013 YTO
		Total Cross MCinthly 1ncon1e $5,2S0.00		

○ Omit ○ Omit Monthly Payment ○

Liability Type: Lease Payments V	Monthly Payment S: :23.oo
Creditor Name: IMOUNTAIN BAI'IK	No. Of Months:
Address:	Unpaid Balance$: 260.0-00
Zip:	REO Asset CO: C=J
City:	Paid At Closing:
State: [3	Resubordinated:
Account No.: jJS63A019732	Vertficatoon Source: Credit Report — — v.1
	Other Venficabon Source Descnption: date or report: UIS/2013

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GFE Fees

Items Payable In Conjunction With Loan					Amount	Paid To	CompanyName	Paid By	D	Selected By	PFC	F	POC	S32	HC	QM	🔒
801	Loan Originaton Fee	0.000	% + $	0.00	$ 0.00	Lender	OC Solutions	Split	▣	Not Maint'd	✓	☐	☐	✓	✓	✓	
803	Appraisal Fee				$ 450.00	Service Provider	Appraisal Company	Split	▣	Not Maint'd	☐	☐	☐				🔒
804	Credit Report				$ 50.00	Service Provider		Split	▣	Not Maint'd	☐	☐	☐		☐		🔒
805	Lenders Inspection Fee				$ 0.00			Borrower	▣	Not Maint'd	☐	☐	☐	✓	✓	☐	
808	Mortgage Broker Fee	0	% + $	0.00	$ 0.00			Borrower		Borrower	☐	☐	☐	☐	☐	☐	
809	Tax Service Fee				$ 75.00	Lender	OC Solutions	Borrower	▣	Lender	☐	☐	☐	☐	☐	☐	
810	Processing Fee				$ 150.00	Lender	OC Solutions	Borrower	▣	Borrower	✓	☐	☐	✓	✓	✓	
811	Underwriting Fee				$ 75.00	Lender	OC Solutions	Borrower	▣	Not Maint'd	✓	☐	☐	✓	✓	✓	
812	Wire Transfer Fee				$ 25.00	Lender	OC Solutions	Borrower	▣	Not Maint'd	✓	☐	☐	✓	✓	✓	

Right Side of GFE Fees

Closing

HMDA, Other Data

Loan Info, Tracking

Seller Acquisition Date:

Seller Acquisition Price $:

Seller Acquired Property From:

Disclosure Tracking — Initial | Current OC APR: 5.339 | Revised

Initial		Revised
GFE Disclosure:		GFE Disclosure:
TIL Disclosure:		TIL Disclosure:
TIL APR:		TIL APR:
Disclosure Delivery Method:		Disclosure Delivery Method:
Disclosures Sent:		Disclosures Sent:
eDisclosures Sent:		eDisclosures Sent:
Disclosures Mailed:		Disclosures Mailed:
eDisclosure Consent Accepted:		eDisclosure Consent Accepted:
eDisclosure Declined:		eDisclosure Declined:
eDisclosure Viewed:		eDisclosure Viewed:
Received Signed Disclosures:		Received Signed Disclosures:

Home Ownership Counseling Disclosure Date:

Section 32 Sign Date:

HOEPA Disclosure Waived:

High Cost Loan Counseling Received:

Appraisal Disclosure Sent:

Appraisal Sent To Borrower:

Additional Appraisal(s) Sent:

Other Tracking

Appraisal Ordered: — Appraisal Received:

Title Ordered: — Title Received:

Insurance Ordered: — Insurance Received:

Payoff Quote Ordered: — Payoff Quote Received:

Second Appraisal Ordered: — Second Appraisal Received:

Lock Form

Origination Channel: Wholesae

Compensation Type: Lender Paid Compensation

Compensation Date: 1/3/2014 3:48:34PM

LO Compensation: (%) [   ] + ($) [   ] = ($) [   ]

Application Date: 01/02/2014

Discount Points:

Pricing Credit:

Price/Lock

Origination Channel: Retail
Compensation Type: Borrower Paid Compensation
Compensation Date: 1/3/2014 3:

LO Compensation: (%) ____ + ($) ____ = ($) ____
Discount Points: 0.000
Pricing Credit: 3.875

Lock Response

Origination Channel: Wholesale
Compensation Type: Lender Paid Compensation
Compensation Date: 1/6/2014 8:13:27PM ET

LO Compensation: 1,193.75 ⓘ ☐ Override
Discount Points: 1.625
Pricing Credit: 0.000

Property Type: Detached
Escrow Waiver: No Escrows W
Pre-Pay Penalty: ○ Yes ● No
Pre-Pay Type:
Pre-Pay Term:
MI Coverage %: 0
MI Coverage Type: Borrower Pai
Origination Channel: Wholesale
Compensation Type: Lender Paid
Compensation Date: 1/6/2014 8:1
LO Compensation: 1,193.75 ⓘ ☐ Override

LO Compensation Information ✕

Plan Name: OC Dev
Comp %: 1.500
Comp $: 250.00
Min $: 1,000.00
Max $: 5,000.00
LO Percentage: 0.500

Origination Channel: Wholesale
Compensation Type: Lender Paid Compensation
Compensation Date: 1/2/2014 3:59:17PM ET
(%) 1.500 + ($) 250.00 = ($) 2,179.17 ⓘ
LO Compensation:
☑ Override

1/1/2014

QM Evaluation and ATR Summary Screen

QM Evaluation and ATR Summary

8 Collapse Al

LENDER

ender Name:	OpenCiose & MTG Lender Co.	Lender Phone:	(561) 655-00DJ	Examined:	1/3/2014
ender Address:	301 dematls Street	Lender NMLS:	CCP574857349Jl	Exam111ation Result:	General QM / Safe Harbor
	WEST PAL/o'l BEACH, Fl 33401	User Name:	be;;m opener	Loan Number:	12465

QM TYPE EVALUATED – GENERAL QM – PROCESSED TESTS

	OM Bgybu:n	aau! L2D QDtA	
ts & Fees:	<4,261.17	$4,218.38	PASS
DTI:	<= 43.00%	24.580%	PASS
Loan Term:	<- 30 Years	JO Years	PASS
Balloon Payment;	No	Amort Term:J60 | Due In:J60	PASS
Negative Amortization:	No	No	PASS
nterest Only:	No	No	PASS

LlDbillt-.

APOR:	4.540 (12/30/2013)	lllru.lJ.Qill	
Lock Date:	1/2/2014 4:21:24 p	APOR + 1.5 :6.04	Safe Harbor
Amort Type:	FIXed Rate	CURRENT LOAN DATA	
First Adjustment:	1/1/0001	APR= 5.339	
n Position:	Primary		

BORROWER IMFORMATION

Credjt Scpre:;

mer

SuBJECT PROPERTY

Address:	3726 Poplar Street Dawson, 1A 50066	Property Type: Occupancy:	Detached Primary Residence

LOAN DtFORMATION a TERMS

ase: loan AmQunt:	$142,5CO.00	loan Type:	Conventional	Sales Price:	s151,000.00
ote Loom Amcunt:	$145,278.00	Amort Type:	FIXed Rate	Appra.sf!d Value:	$151,000.00
ub Financing Atnt:	$	Amort Term:	360	Impro. ments:	$0.00
TV / CLTV / HCLTV:	96.211 / 96.211 / 96.211	Maturity Tenn:	360	Estate Held As:	Fee Simple
poe Type:	Full	Purpose of Loan:	Purchase	PMI, MIP, Funding Fee:	Sl,778.75
ote Rate:	4.750%	Lien Position:	Primary	Financed PMI, MIPFF:	$2,778.00

QM QUAUFY RATE

!ol'tOUilllfv_Rote:		M!2Dlhlv ei1vmeD1.B tig:ii		Euml! SummOf ii	
"'ote Rate:	4.750'!1	First Mortgage P&J:	$757.84	cash From Borrower:	$15,310.64
1st Adj Cap:	%	Other F1nancmg P&I:	$0.00	cash Out Amount:	$0.00
1st Adj Period:		Ha1.:ard tnsur nce:	$53.00	Gift FJnds Amount:	$2,000.00
l'-dj. cap:	%	Real Estate Taxes:	$86.00	Gift Funds Source:	Mom & Dad Miller
f'ldj. Period :		Monthly Mortgage Ins:	$66.59	Total Closing Costs:	59, 956.64
f.ire Adj. cap:	%	HOA Fees:	$35.00	Fund• Required to aose:	$15,310.64
argln	%	Other :	$0.00	Cash Available:	$40,500.00
ndex:	0.000'!1	Total Monthly Payment:	$998.43	Reserves:	$25,189.36
ndex Name:		Total Fixed Payments:	$1,290.43	Reserve In Months:	19
				Rosroual income	
Ol!4 Ouὶl Riϧte:	•-.750'!1	QM Total Housing Ratio:	19.020%	Total Cross Income:	$5,250.00
onthly Payment:	$757.84	QM Total Debt Ratio:	24.580%	Total Fixed Payments:	$1,290.43
				Residual Income:	$3 959.57

QM POIMTS a FEES ANALYSIS

oints A. Fees Induded

			!!aJli...ls!	AmlllIDl	Result	
	X	Mortgage Ins Prem	Service Provider	285.00	Note Loan Amt :	$145,278.00
1201	X	Recordir>Fees	Other	175.00	QM Po"'ts &. Fees cap:	3.00%
1204		12D4 - fee	Lender	99.00	Toti Loan Amt:	$142,038.84
U01	X	Closing/Escrow Fee	Service Provider	50.00	QM Points Cap Amt:	$4,261.17
1113		Owners Title Insurance	Service Provtder	750.00		
02	X	Loan 0!scount:	Lender	363.20	QM Fotnts &. Fees on Loan:	$,218.38
51	X	Loan Credo t 1	Origtnator	2,179.17		
10	X	Processing Fee	Lender	150.00	QM Points &. Fees CushK>fl:	$42.79
11	X	Underwnbng Fee	Le:nder	75.00		
12	X	wire Transfer Fee	Lender	25.00	BslDi Eis&l eqiJJ.i:i	
13	X	Flood Cert (Life of Loan)	Service Provider	25.00	Max Eltgtble Potnts:	2.000%
14	X	800 Fee 2	Lender	14.00	Discount Potnts:	1.375%
15	X	800 Fee 3	Lender	15.00	Bona Fide Points:	1.125%
1301	X	Plat Drawtng	Servc e Provider	13.01		

!Points 8i. Fees Excluded

				Am2lm.t		
					Undiscounted Rate:	5.000%
i9o2	x	Mortgage Ins Prem	SerVice Provtder	2,493.75	Undiscounted Rate Date:	1/212014
02	X	Loan Di scount	tender	1,634.38	Undiscounted Pnce:	99.75
01	X	Prepaid Interest	Lender	19.17	Undiscounted Potnts:	0.25
OJ		Hazard I.nsurance	Service Prov1der	636.00		
04		Flood Insurance	Service Provider	350.00		
06		Other Insurance	Service Provider	100.00		
1203		State Tax/Stamps	Other	500.00		
1202		City/County Tax/Stamps	Other	500.00		

1/1/2014

INCOME INFORMATION

	Alice Firstimer		All Additl Borrowers	Grand Total
Base Income:	5,000.00			5,000.00
Overtime:	250.00			250.00
Bonus:	0.00			0.00
Commissions:	0.00			0.00
Dividends/Interest:	0.00			0.00
Other:	0.00			0.00
Subtotal:	5,250.00	0.00	0.00	5,250.00
Net Rental:	0.00			0.00
Subject Net Cash:	0.00			0.00
			Total Income:	5,250.00

Borrower	Income Source		Amount	Verification Source
Alice Firstimer	Base Employment Income		5,000.00	W-2 Forms - Last 2 Years
Alice Firstimer	Overtime		250.00	Paystubs

ASSETS

Borrower	Asset Type	Institution Name/Description	Acct #	Amount
Alice Firstimer	Checking Account			2,500.00
Alice Firstimer	Savings Account			36,000.00
Alice Firstimer	Gift	Mom & Dad Miller		2,000.00

LIABILITIES

Mortgages To Be Paid Off

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source

Liabilities To Be Paid Off

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source

Liabilities Included

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source
Alice Firstimer	Lease Payments	MOUNTAIN BANK	123.00	2,600.00	Credit Report
Alice Firstimer	Revolving Charge Account	HEMLOCKS	44.00	437.00	
Alice Firstimer	Child Support	Bill Mayer - Ex husbank	125.00		Legal Separation Agreement

Liabilities Excluded

Borrower	Type	Creditor	Monthly Payment	Balance	Verification Source

EMPLOYMENT

Borrower	Employer	Employer Type	Employment Status	Self Employed	Present Emp	Verification Source
Alice Firstimer	Abacab	Primary Employer	Full-Time	No	Yes	VOE

Underwriting

Secondary Details

Lock Status:	Lock Approved With Cha	Investor:	Flagstar
Lock Expiration Date:	01/17/2014	Investor Loan #:	
Compensation Type:	Lender Paid Compensation	Investor Due Date:	
Compensation Date:	1/2/2014 3:	Commitment Type:	
LO Compensation:	1.500 / 2179.17	Hedge Loan:	
Discount Points:	1.375	Undiscounted Rate:	5
Pricing Credit:	0.000	Undiscounted Rate Date:	1/2/2014 4:21:24 PM
		Undiscounted Price:	99.75
		Undiscounted Points:	0.25

Appraisal

Appraised Value $:	151,000.00	Review Appraised Val $:	
Appraiser:	**Eo**	Review Appraiser:	
Appraisal Received:		Review Appraisal Rcvd:	
Appraisal Date:		Review Appraisal Date:	
Appraisal Expiration:		Review Appraisal Exp:	
Appraisal Sent to Borrower:		Additional Appraisal(s) Sent:	
2nd Appraisal Value $:		Sales Contract Date:	
2nd Appraiser:	**O**	Seller Acquisition Date:	
2nd Appraisal Received:		Seller Acquisition Price $:	
2nd Appraisal Date:		Seller Acquired Prop From:	
2nd Appraisal Expiration:			
2nd Appraisal Sent to Borr:			

Underwriting Evaluation • Ability to Repay

Field	Value	Reviewer's Name
Mon!Jhly Loan Payment Eval Flag	Yes	bean
opener Montihly Other Loan Pmts Eval Flag	Yes	jbean
opener Mon!Jh y Mtg Re ated Oblig EvalFlag	No	bean
opener Debt Obligation Eval Flag	N/A	jbean
opener Child Support Eval Fl ag	N/A	bean
opener		
Alimony Eval F ag	No	Jbean opener
Current Employment Status Flag	Yes	Ilbean opener
Current or Expected Income Eval F ag	Yes	Jbean opener
Current or Expected Assets EvalFlag	N/A	Jbean opener
Credit History EvalFlag	No	Ilbean opener
OTIRatio EV<IIFlag	ves	bean opener
Residual Income EvalFlag	N/A	Jb ean
opener		

Exemptions

Field		Other Desc
Reason Type	Jbean opener	Other Desc RT
Loan p,.ogram Type	J Other	bean opener	jother Desc LP
Creditor Org.Type	ong.rof.it Organizaln	bean opener	other Desc COT

1/1/2014

ex **opencLose**

| Details | UW Worksheet | UW Eval - ATR | QM Assessment | AUS Findings | HMDA | Conditions | Custom | Response |

QM Assessment

QM Type: |_'_''_____'| _ _ j

QM Type Set By: !Bean Opener

Purchase/Guarantee Guidelines:| v _ j

Purchase/Guarantee Guidelines Set By:

QM Examination Result: !GeneralQM / Safe Harbor

QM Examined Date: 11/6/2014

	OM Requirements	Actual Loan Data	.Bll!!l.t
Points 8.Fees:	<= 4,223.28	$1,747.13	PASS
on:	<= 43.00%	20.512%	PASS
Loan Term: Balloon	<= 30 Years	30 Years	PASS
Payment: Negative	No	Amort Term=J60 I Due In=J60	PASS
Amortization:	No	No	PASS
Interest Only:	No	No	PASS

	Threshold	Actual Loan Patel	
Liabilty rotection:	4.540 (APOR) + 1.5 = 6.04	APR =4.473%	Safe Harbor

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| Details | UW Worksheet | UW Eval - ATR | QM Assessment | AUS Findings | HMDA | Conditions | Custom | Response |

AUS Findings

OU Findings   oiOU

Recommendation: jRefer with Caution

Case File ro: 11954683451

Response Date/Time: 101/06/14 13:35:09

Submission "': 3

Eligible Indicator: INo

Referred Indicator: Ives

SpecialFeature Code 1: fiS I '' I Financedl MI

SpecialFeature Code 2: I ou Loan (Seier Acquired After Evaluation;usually associated with TPO originations tha-

SpecialFeature Code 3: I ou Loan (Seier-Initiated Evaluation)

SpecialFeature Code 4: Limited cashout Refinance

SpecialFeature Code 5: r – – –

SpecialFeature Code 6: r – – –

LP Findings   ""LP

Purchase Eligibility: IoooFreddieMacEiigble

LP Key: 126193621

Evaluation Date: 112/30/2013 07:35:26

Submission "" 2

Credit Risk Class: jAccept

Document Level: jstreamlined Accept

Accept Plus Eligible: N

Document Oass: !Accept

Appendix D

Fields Added to OpenClose

Listed Alphabetically by Screen Name

1003

Tab	Field	Comments
Types & Terms	First Time Home Buyer	Checkbox, defaults to un-checked
	Prepayment Penalty on Refinance	Dollar amount, if applicable
	In-House Refinance	Checkbox, defaults to un-checked
MI Data (pop up)	Auto Refundable Upfront MI	Checkbox, defaults to un-checked This will only display if the loan is not FHA, VA, USDA Also appears on Loan Info, Price/Lock, Lock Form, GFE Fees
Employment	Employment Status	Dropdown includes: - Full-Time - Irregular (Contractor) - Military - Part-Time - Retired - Seasonal - Self-Employed
	Employment Status Comments	User manual entry
	Employment Verification Source	Dropdown includes: - 1099 - 401K - Current P&L/Balance Sheet - IRS Form 2106 - Military - Other Employment Status Verification - Paystubs - Pension - Social Security - Tax Returns - Tax Returns With Schedules - 2 Years - Verbal VOE - VOE - W-2 Form - W-2 Forms - Last 2 Years
	Employment Verification Source	User manual entry

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	Other Desc	
Income	Income Verification Source	Dropdown includes: - 1099 - 401K - Bank/Account Statements - Cancelled Checks - Court Order - Deposit Slips/Receipts - Final Divorce Decree - Legal Separation Agreement - Military - Other Verification Source - Paystubs - Pension - Promissory Note - Rental Agreement - Social Security - SSA Benefits Letter - Tax Returns - Tax Returns With Schedules - 2 Years - Trust Agreement - Voluntary Payment Agreement - W-2 Form - W-2 Forms - Last 2 Years
	Other Verification Source Description	User manual entry; only displays Other Verification Source is chosen
Liabilities	Verification Source	Dropdown includes: - Court Order - Credit Report - Final Divorce Decree - Legal Separation Agreement - Note & Deed for Subordinate Lien - Other Verification Source - Periodic Statement - Promissory Note - Voluntary Payment Agreement
	Other Verification Source Description	User manual entry

Closing

Tab	Field	Comments
Closing Form	Servicer	Existing field. If user completes Servicer on Closing, it will copy over to Post Closing screen
Fees	Final TIL checkbox	Checking the Final TIL checkbox

		causes the Truth In Lending document to be re-calculated using the Fees listed below as the basis for the prepaid financing.
	See Good Faith Estimate Fees below for additional details	
Title & Legal	Note Endorsement To	Manual entry or Contact lookup

Funding

Tab	Field	Comments
Fees	*See Good Faith Estimate Fees below for additional details*	

Good Faith Estimate Fees

Line	Field	Comments
Loan Discount	Set Bona Fide Points	In this pop up the Bona Fide Points and Amount display
	Auto-Calc Bona Fide Points (enabled)	If the user clicks on this icon, then the Bona Fide Points in the pop up become editable.
ALL Lines	Paid To Note this is not a new field but the dropdown list has been revised	Dropdown includes: - Lender - Originator - Investor - Other - Borrower - BrokerAffiliate - LenderAffiliate - Service Provider
	D	Paid by Distribution pop up
	Selected By	Dropdown includes: - Not Maint'd (Not Maintained) - Lender - Borrower - Seller/Other
	Note: the following fees may or may not be editable by the user depending on whether or not your administrator selected Disallow Override:	
	S32 Checkbox	Section 32 Fee (HOEPA) – this is a place holder for future enhancement
	HC Checkbox	High Cost Fee – this is a place holder for future enhancement
	QM Checkbox	Qualified Mortgage Fee – this value determines if fee is to be included in the Points and Fees calculation for Qualified Mortgage test.

HMDA

Tab	Field	Comments
HMDA Form	HPML Status	Defaults to Blank; Values are No, Yes

Loan Info

Tab	Field	Comments
Tracking	Seller Acquisition Date	
	Seller Acquisition Price $	
	Seller Acquired Property From	
	Home Ownership Counseling Disclosure Date	
	Section 32 Sign Date	The date the borrower(s) signed the Section 32 high cost mortgage disclosure prior to funding
	HOEPA Disclosure Waived Flag	
	High Cost Loan Counseling Received Flag	
	Appraisal Disclosure Sent	Date notification of appraisal disclosure was sent to borrower
	Appraisal Sent To Borrower	Also displays on UW screen
	Additional Appraisal(s) Sent	
	Second Appraisal Ordered	Also displays on UW screen
	Second Appraisal Received	

Lock Response

Tab	Field	Comments
Details	CompFeePct	
	CompFeeDollar	
	CompMinDollar	
	CompMaxDollar	
	CompLOPercent	
	CompPlanName	

Underwriting Screen

Tab	Field	Comments
Details		View Only
Secondary Details	Undiscounted Rate	Rate closest to Par (100.000) for the lock term selected. This rate is also used to compare to the APOR
	Undiscounted Rate Date	Date the rate was provided
	Undiscounted Price	
	Undiscounted Points	The points if under par, zero if over par

1/1/2014

UW Worksheet	2nd Appraisal Value $	
	2nd Appraiser	
	2nd Appraisal Received	
	2nd Appraisal Date	
	2nd Appraisal Expiration	
	2nd Appraisal Sent To Borr	
	Appraisal Sent to Borrower	
	Additional Appraisal(s) Sent	
	Sales Contract Date	Also on Loan Info, Tracking
	Seller Acquisition Date	
	Seller Acquisition Price $	
	Seller Acquired Prop From	Also on Loan Info, Tracking Dropdown includes: - Government Agency - Nonprofit Govt Program - Court Ordered Dissolution - Employee Relocation - Military Service Member - Presidentially Declared Disaster - Rural County
UW Eval – ATR	Monthly Loan Payment Eval Flag	Defaults to Blank; Values are Yes, No, or N/A
	Monthly Other Loan Pmts Eval Flag	
	Monthly Mtg Related Oblig Eval Flag	
	Debt Obligation Eval Flag	
	Child Support Eval Flag	
	Alimony Eval Flag	
	Current Employment Status Flag	
	Current or Expected Income Eval Flag	
	Current or Expected Assets Eval Flag	
Exemptions	Business Purpose Loan Indicator	Defaults to Blank; Values are No, Yes
	Loan Program Type	Dropdown includes: - Bridge Loan - Construction Only - Construction To Permanent - Emergency Economic Stabilization Act - HELOC - Housing Finance Agency - NonStandard To Standard Refinance - Other - ReverseMortgage - TemporaryLoan - TimeSharePlan
	Reason Type	Dropdown includes: - Creditor Organization - Loan Program

			- Number of Financed Units
			- Other
			- Property Usage
	Creditor Org. Type	Dropdown includes: - Community Development -Financial Institution - Community Housing -Development Organization - Downpayment Assistance Provider - Nonprofit Organization - Other
QM Assessment	QM Type	Defaults to blank. Dropdown includes: - General QM - Small Creditor QM - Small Creditor Balloon QM - Temporary QM *Note, if no QM Type is chosen, OpenClose will treat calculations as if the QM Type is General QM, though the QM Type field will not auto populate, it will be blank unless and until a user changes it*
	QM Type Set By	Auto populates name of user that completes QM Type field
	Purchase/Guarantee Guidelines	Dropdown includes: - Fannie Mae - FHA Insured - Freddie Mac - RHS Insured - USDA Guaranteed - VA Guaranteed
	Purchase/Guarantee Guidelines Set By	Auto populates name of user that completes Purchase/Guarantee Guidelines field

QM Assessment		*The remainder of this screen is view only and will display results of calculations described below:*	
Test	*QM Requirements*	*Actual Loan Data*	*Result* *Pass or Fail*
Points & Fees	<=$	$ (%)	This value is calculated based on the following: 1) 3% of the total loan amount for a loan greater than or equal to $100,000 2) $3000 for a loan greater than or equal to $60,000 but less than $100,000 3) 5% of the total loan amount for a loan greater than or equal to $20,000 but less than $60,000 4) $1000 for a loan greater than or equal to $12,500

			but less than $20,000 5) 8% of the total loan amount for a loan less than $12,500
DTI	<=43.00%	%	For QM Requirements, if QM Type = Temporary QM AND user has selected Purchase/Guarantee Guideline value, then display Temporary QM. For Actual Loan Data, this is the Calculated QM DTI. The Calculated QM DTI is based on the QM Qualifying Rate.
Loan Term	<= 30 Years	Years	This value is the Due In Term divided by 12
Balloon Payment	No	Maturity Term = Amortization Term	This value is either Maturity Term = Amort Term OR Maturity Term != Amort Term
Negative Amortization	No	Neg Am Months = None	This value is either the Neg Amort Months or None
Interest Only	No	IO term = None	This value is either the IO term or None
Liability Protection	Threshold: APOR + % = %	APR = % *This value is the calculated APR value	Result is: - Safe Harbor or - Rebuttable Presumption or - No Safe Harbor IF APR is less than or equal to (APOR + 1.5) AND loan is a QM Mortgage = Safe Harbor IF APR is greater than (APOR + 1.5) AND loan is a QM Mortgage = Rebuttable Presumption Otherwise No Safe Harbor Subordinate Financing Mortgages: IF APR is less than or equal to (APOR + 3.5) AND loan is a QM Mortgage = Safe Harbor IF APR is greater than (APOR + 3.5) AND loan is a QM Mortgage = Rebuttable Presumption Otherwise No Safe Harbor

Tab		Field	Comments
AUS Findings			View Only
	DU Findings	Recommendation	
		Case File ID	
		Response Date/Time	
		Submission #	
		Eligible Indicator	
		Referred Indicator	
		Special Feature Code 1	
		Special Feature Code 2	
		Special Feature Code 3	

	Special Feature Code 4	
	Special Feature Code 5	
	Special Feature Code 6	
	Recommendation	
LP Findings	Purchase Eligibility	
	LP Key	
	Evaluation Date	
	Submission #	
	Credit Risk Class	
	Document Level	
	Accept Plus Eligible	
	Document Class	

Appendix E

Resources

http://www.consumerfinance.gov/mortgage-rules-at-a-glance/

http://www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z/

http://files.consumerfinance.gov/f/201310_cfpb_qm-guide-for-lenders.pdf

http://files.consumerfinance.gov/f/201306_cfpb_compliance-guide_loan-originator-compensation-rule.pdf