



NEWS

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Correspondent Lending Workshop

CU Companies held its second Correspondent Lending Workshop in late September. Attendees gained a more thorough understanding on how to fully optimize the Correspondent program through training on all aspects of originating mortgages.

"We, at CU Companies, feel it is very important to provide this type of training to help keep everyone informed of changes in the industry, and to provide education to allow our partners to become more efficient and confident in their mortgage lending," said Brad Crandall, CU Companies CEO.

The full day workshop began with information and materials on compliance disclosures, the post-closing process, the closing package, and secondary marketing. Finishing off the day, the Underwriter reviewed the application, credit overview, and current market conditions.

"We want our users to have a great experience. Through these educational workshops,

Assignment Requirements policy

Assignments (known as: Assignment of Mortgage, Transfer of Lien, or Assignment of Security Deed) not signed by an officer of the company will be returned for correction effective **December 1, 2012**. Loans that are currently in the pipeline are not subject to this new requirement.

If an authorized signor does not have an officer title but is allowed to function as such, a **Board of Resolutions** must be completed and submitted with all signors allowed. Please contact your CU Companies Account Executive for this form. If you have previously provided a list of eligible signors, you are not required to use the Board of Resolutions at this time.



Updated manual

The Correspondent Lending manual received a slight change recently. On page 8, the Re-Lock Process and Pricing now includes the enlarged text shown below:

Re-Lock Process and Pricing

Locked loans that have passed their lock expiration dates or loans with locks cancelled because the closed loan package was not delivered by the required date may be re-locked by contacting the Secondary Marketing Department. The loan will be re-locked at the worse of:

- The original lock **and term** pricing, or
- 30-day current market price less .375%



Reviewing of inquiries

According to FNMA, the Midwest Region is #1 in fraudulent activity. The top reason for fraud, which accounts for 46 percent, is the misrepresentation of liabilities. Because of this, CU Companies is reminding their Correspondents what is required when there is an inquiry on the borrower's credit report.

- All inquiries must be addressed individually.

we can do just that," said Crandall. "Participants leave feeling more confident and informed on current conditions and tools to help them become more efficient in the process."

For those who missed the September workshop or want to review the information that was provided, a live recording of the speakers' presentations will be available soon.



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- All inquiries within 90 days of the credit report must be addressed.
- Any new debt must be verified.
- All LOXs must state there was new debt, there is pending debt, or no new debt has been obtained.
- If the LOX states that there was no new debt obtained - and the Underwriter sees that it is on the credit report - the borrowers will need to explain why they did not state new debt was obtained and also clarify all the inquiries again.
- If more than 45 days elapses from the date of the credit report, the underwriter will reserve the right to require a new credit report.



Expiration date reminder

Please pay attention to the doc expiration date. It may be earlier than what DU states based off of the documents in the file. Note that all documents except for the appraisal must be less than 90 days old at the time of closing. Submitting files with expired documents will cause a delay as they must be returned to the Liaison without an underwriting decision.



Court-ordered Assignment of Debt

A note from the Underwriter

When a borrower has outstanding debt that was assigned to another party by court order (such as under a divorce decree or separation agreement) and the creditor does not release the borrower from liability, the borrower has a contingent liability. The lender is not required to count this contingent liability as part of the borrower's recurring monthly debt obligations.

The lender is not required to evaluate the payment history for the assigned debt after the effective date of the assignment. The lender cannot disregard the borrower's payment history for the debt before its assignment.



Disclosure checklist updated

CU Companies has updated its list of required disclosures. This list is available on the Correspondent Lending website under Disclosures once logged in. The direct link to the checklist is:

<https://cucl.cucompanies.com/images/stories/disclosure-list.pdf>



Larsen is newest Liaison

Louis Larsen recently joined the CU Companies team as a Liaison for Correspondent Lending. Larsen comes with experience from Wells Fargo Home Mortgage as a Loan Document Specialist/Processor. As a Liaison at CU Companies, his efficiency and compliance skills will be beneficial in facilitating the Correspondent Lending process.

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