



NEWS

A bi-monthly publication

For the months, April & May 2013

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Reminders

Septic Systems...

Property that is vacant and has a septic system is required to have a septic inspection.

DU Refi Plus - Benefit Requirement...

To use the DU Refi Plus program, the borrower must be reducing their interest rate, term, payment, or moving to a more stable product. To refinance with the purpose of removing a co-signor is not an acceptable benefit under the DU Refi Plus program.



Additions to cucl.cucompanies.com

You can find a Correspondent Training Manual on the Correspondent Lending website which includes detailed information on areas where we find inconsistencies as well as areas that might cause a loan to be unsalable or have potential audit issues. The training manual can be found under Resources/Forms. The direct link to the manual is: <https://cucl.cucompanies.com/images/stories/Documents/resources/correspondent-training-manual.pdf>

Additionally, the website now



CU Companies Feature

**Interview with Matthew Whipps,
Closing/Post Closing Manager**

Matt Whipps, Closing/Post Closing

Manager, joined the CU Companies team in January of this year. Since then, he adjusted the department in a manner that has made the closing/post-closing process easier for owners and partners and their borrowers. Read the interview with Whipps below to find out more about those changes.

What changes have you implemented in the closing/post-closing process?

One of my first goals when coming aboard was to refine the flow within the Closing/Post Closing Department and tighten the turnaround times. Another big goal of mine was to establish training resources for correspondents to use in order to help them through the process and avoid any compliance related issues. Communication about what we need from our correspondents from a compliance standpoint is a very big piece in our partnership. Creating a Correspondent Training Manual, setting up training sessions and having one Post Closer, Mike Rasmussen, handle all of our new correspondents have all been important steps toward accomplishing this goal.

What does this mean for our owners/partners and the borrowers?

What this ultimately means for our owners and partners and their borrowers is that their loans now move through our department faster and cleaner than in the past. Having open lines of communication between our department and our partners helps the process flow much more smoothly and is critical in this type of environment and the type of service we strive to provide.

Why did you feel the process needed to be improved?

In the past there really wasn't a resource or training manual for our correspondents to go to on our Correspondent website. While our Account Executives provide initial training to our correspondents, there wasn't a resource for them to look up information that they may have questions on. I have since written a Correspondent Training Manual that allows them to reference areas that we have seen can cause the most issues (RESPA issues, Fannie Mae guidelines, processes, etc.) as well as provide myself as a resource

includes videos taken of the presenters during the Correspondent Workshop held last year. Each video is no longer than 10 minutes and is labeled according to its subject matter under the headings Compliance, Underwriting, and Closing. They are located under the Videos section of the website with tabs according to the three subjects above. The link to the video page is:
<https://cucl.cucompanies.com/app/videos>

for our partners to contact any time and even set up mini-training sessions with the staff. So, in addition to their Account Executives who always do an excellent job in answering their questions, there are additional resources to reference when necessary.

I couldn't be happier with the incredible team here at CU Companies. In my short time here they have welcomed me aboard with open arms. I'd also like to give a special thanks to my Closing/Post Closing team as they continue to provide great service to our owners and partners every day!

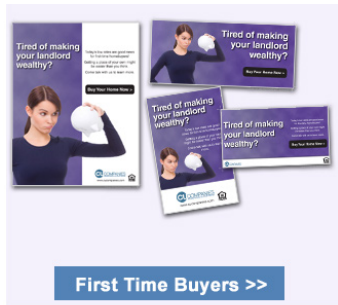
With questions, please contact Matt Whipps at mwhipps@cucompanies.com.



Now's the time to communicate purchases

CU Companies offers an easy solution to assist with your marketing needs. The Online Marketing Library allows you to customize the available campaigns with your logo and contact information. The design and customization is free to you. With a purchase market quickly replacing the refi boom, you have materials readily available.

The most recent featured campaign is a First Time Home Buyers campaign, which targets a younger audience considering a purchase of their first home.



If you (or your marketing department) would like to get set up with a login and password to access the Online Marketing Library, contact LeAnn Achtenberg, CU Companies Marketing Director at 651-746-6423 or at LAchtenberg@cucompanies.com.



Bulletin Releases

April/May/June

The following bulletin titles were sent via email during the months covered in this newsletter. To review the bulletins—which contain policy and procedure changes for CU Mortgage's Correspondent Lending channel, go to the Correspondent Lending website located at cucl.cucompanies.com under the News Bulletin section at the right.

Principal Reduction	06.14.13
Age of Documents	06.14.13
OFAC Check	06.14.13
Mortgage Insurance Ordering	06.14.13
Portfolio Set-up Sheet	05.23.13



Ask the Underwriter

Susan Fournier, Underwriting Manager, clarifies the vacating primary residence requirements

Question: Can you clarify FNMA's guidelines regarding the verification of reserves when a borrower is maintaining a current residence and adding a new primary residence?

Answer: If the borrower is retaining their current primary residence and buying a new primary residence, there must be a verification that there is six months worth of reserves on each property. Or, you may verify that the current residence has 30 percent equity and then only verify two months reserves for each property.

Excerpt from the FNMA Guide (with highlights and comments from

CU Companies):



With any questions, contact your Correspondent Team:

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DU loan casefiles: DU will determine the reserve requirements based on the overall risk assessment of the loan and the minimum reserve requirement that may be required for the transaction. DU will calculate the reserve requirement for the subject property. When a borrower has multiple financed properties and is financing (or refinancing) a second home or investment property, DU is not able to determine the exact number of financed properties the borrower owns. As a result, the lender must manually apply the applicable additional reserve requirements for the other financed investment property and second home transactions. **DU is also not able to determine if the borrower has not sold or has converted his or her principal residence to a second home or investment property.** The lender must manually apply the applicable additional reserve requirements for the borrower's current principal residence.

Minimum Reserve Requirements

The minimum reserve requirements are described below. For additional information regarding monthly housing expense and qualifying payment requirements, see B3-6-03, Monthly Housing Expense and B3-6-04, Qualifying Payment Requirements.

In conjunction with the reserve requirements below, the lender must also comply with, as applicable, related policies, including, but not limited to the following:

- * B2-2-03, Multiple Financed Properties for the Same Borrower;
- * B3-3.1-08, Rental Income;
- * B3-4.4-01, Asset Verification; and
- * B3-6-06, Qualifying Impact of Other Real Estate Owned.

Principal Residence

For a mortgage loan secured by the borrower's principal residence, the minimum reserve requirements are determined as follows:

- * for loan casefiles submitted to DU, per DU;
- * for manually underwritten loans, per the Eligibility Matrix.

If the borrower's current principal residence is pending sale or converting to a second home or investment property, the following additional reserves (PITIA) must be calculated and documented: **(Comment - this is the part clarified with FNMA regarding the question above - if the current residence is no longer the primary residence it is then either a pending sale, second home, or investment property.)**

If the percentage of equity in the current principal residence is 30 percent or more, then additional reserves are two months on subject property and two months on current principal residence. If the percentage of equity in the current principal residence is less than 30 percent, then additional reserves are six months on subject property and six months on current principal residence.

You are always welcome to contact our Underwriting Team by using the Ask the Underwriter box located on the Correspondent Lending website.



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