

Welcome to the November issue of the CU Mortgage Services newsletter! The purpose of this newsletter is to share best practices, industry updates, questions from our users (and the answers), upcoming events, and reminders of our services. The newsletter is sent to Correspondent and Retail Lending channel contacts.



Compliance Corner

With the implementation of TRID last month, we are happy to say overall the implementation went smoothly. As with any big changes, there were a few complications that needed to be ironed out in the system, but we were able to address those within the first week. Our first loans were disclosed with only a few questions from our loan originators -- we would call that a success! The next step in the process is making sure the borrower receives the Closing Disclosure three business days prior to closing.

As a reminder, anyone who chooses to email the Closing Disclosure to their borrowers needs to comply with the ESIGN Act. The ESIGN Act requires consent from the borrower prior to providing any disclosures electronically. If you do not comply with the ESIGN Act, the disclosure will be deemed to have been received via the mailbox method.



Ask the Underwriter

Q: How long do files take in underwriting?

A: Our goal is 72 hours, but we have been consistently operating under that timeframe.

Q: What is the HomeReady program?

A: The HomeReady program is replacing the MyCommunity Program with the DU update the weekend of December 12, 2015. All MyCommunity mortgages will need to be run in DU prior to that date, and can be closed and delivered to Fannie Mae by June 2016. All 97 percent LTV deals run after December 12, 2015, will be HomeReady loans and subject to those guidelines.

Q: What are the differences between HomeReady and MyCommunity?

A: The differences in the [HomeReady](#) program and MyCommunity are below:

- No first-time homebuyer requirement
- Income eligibility is based on census tract (see [here](#) for maps)
- Homeownership education is required to be completed through [FRAMEWORK®](#) (\$75 fee)
- For all LTVs > 90 percent, MI coverage is 25 percent

Q: How is DU revising how it treats non-occupant co-borrowers?

A: With the DU update on December 12, 2015, DU will consider the income

and liabilities of all borrowers (instead of just the assets and credit).

According to Fannie Mae, non-occupant co-borrowers are credit applicants on a principal residence transaction who:

- Do not occupy the subject property
- May or may not have an ownership interest in the subject property as indicated on the title
- Sign the mortgage or deed of trust note
- Have joint liability for the note with the borrower(s)
- Do not have an interest in the property sales transactions, such as the property seller, the builder, or the real estate broker

DU analyzes the risk factors in the loan casefile for all borrowers on the mortgage loan. Regardless of whether an individual borrower will be occupying the property as his or her principal residence, DU will consider the income, assets, liabilities, and credit of that borrower.

For DU loan case files, if the income from a co-signer is used for qualifying purposes, and that co-signer will not occupy the subject property, the maximum LTV, CLTV, and HCLTV ratio may not exceed 95 percent (unless a Community Seconds is part of the transaction, in which case the CLTV ratio may not exceed 105 percent).



Fannie Mae's TRID FAQs

Fannie Mae recently published a TRID FAQ sheet that provides information for lenders regarding TRID, and Fannie Mae's expectations for lender compliance. [Click here](#) to read more.



New Partners

CU Mortgage Services added the following partners as users of its Retail Lending channel:

- AREA Credit Union – Kansas City, KS
- Cross Valley Federal Credit Union – Wilkes Barre, PA
- CSD Credit Union – Kansas City, MO
- Danville Bell Credit Union – Danville, IL
- Employees Federal Credit Union – Tulsa, OK
- Hanesbrands Credit Union – Winston-Salem, NC
- Internal Revenue Employees Federal Credit Union – Greensboro, NC
- Menominee County Federal Credit Union – Powers, MI
- Settlers Federal Credit Union – Bruce Crossing, MI
- St. Francis Federal Credit Union – Greenville, SC
- Upper Michigan Community Credit Union – Munising, MI



CU Blogs

If you haven't done so already, make sure to check out our two blogs and subscribe to receive email notifications when a new article is posted! Our [CU Companies blog](#) will help you stay up-to-date on the real estate, business lending, and investment market, as well as company updates.

If you need more content to fill your newsletter, look no further than our [CU Realty blog](#)! This blog contains articles with tips for buyers and sellers, current market trends, and more. Advertise this blog to your marketplace, or simply copy and paste an article in your own newsletter.



Marketing Library Campaign

A new mortgage campaign will be released on November 16. Just because we typically see a reduction in mortgage lending this time of year, doesn't mean we need to turn the faucet off! Anyone who places an order for a mortgage campaign between November 16, 2015, and December 31, 2015, will be placed into a drawing for a \$250 gift card.