

Compliance Focus Areas – Maryland

Application Disclosures

Broker Contract

- Verify broker's compensation (Finder's Fee) equals the Destiny Wholesale Extra Information screen.
- Verify disclosure dated within 10 days of 1003.
- This disclosure must be signed by both the borrower and broker.

Settlement Services Disclosure

- Must be dated within three days of 1003 for retail/correspondent loans.
- Must be dated within three days of submission to U/W for wholesale loans.
- This disclosure must be signed by Borrower.
- Applicable for primary residences only.

Maryland Department of Labor, Licensing and Regulation Escrow Waiver Disclosure:

- Must be dated within 10 days of 1003 for retail/correspondent loans.
- Must be dated within 10 days of submission to U/W for wholesale loans.
- To be completed if no escrow account is required on conventional loans.

Important Notice Regarding Counseling

- Verify disclosure date within 10 days of submission to UW.
- RESPA List of Homeownership Counseling Organizations disclosure may be substituted when following disclosure verbiage is present "When applying for a mortgage loan or line of credit, we recommend you receive homebuyer education or housing counseling."

Fulfillment Disclosure

Commitment

- Maryland Commitment Agreement will automatically generate as part of the Ease Docs (Docutech) Closing Disclosure package.

Auto Subordination

In Maryland, statutes authorize a mortgagor to refinance the full balance of a loan secured by a first mortgage or deed of trust without the permission of the holder of a junior lien if:

- I. The principal amount secured by the junior lien does not exceed \$150,000, and
- II. The principal amount secured by the refinance mortgage does not exceed the unpaid outstanding principal balance of the first mortgage or deed of trust plus closing costs up to \$5,000.

In addition, the following language in all capital letters must be completed and placed on the front page of the mortgage: THIS IS A REFINANCE OF A DEED OF TRUST/MORTGAGE/OTHER SECURITY INSTRUMENT RECORDED AMONG THE LAND RECORDS OF COUNTY/CITY, MARYLAND IN LIBER NO. FOLIO, IN THE ORIGINAL PRINCIPAL AMOUNT OF, AND WITH THE UNPAID OUTSTANDING PRINCIPAL BALANCE OF THE INTEREST RATE PROVIDED FOR IN THE EVIDENCE OF INDEBTEDNESS SECURED BY THIS REFINANCE MORTGAGE IS LOWER THAN THE APPLICABLE INTEREST RATE PROVIDED FOR IN THE EVIDENCE OF INDEBTEDNESS SECURED BY THE DEED OF TRUST/MORTGAGE/OTHER SECURITY INSTRUMENT BEING REFINANCED.

Marital Rights

- Maryland is **not** a community property state.
- Non-borrowing titled spouses are required to sign the Mortgage, CD and Right of Rescission (if applicable). Non-borrowing non-titled spouses are not required to sign.

Predatory Lending

UWM does not originate or purchase high-cost loans which MD defines as one percentage less than amounts specified in HOEPA.

Closing Practices

Maryland does have a wet settlement law. Good funds must be provided at settlement in connection with any consumer loan transaction involving a purchase money loan secured by a first mortgage or deed of trust on real property located in the state. Under the Wet Settlement Act, lenders must disburse loan funds to a settlement agent on or before the day of settlement in accordance with the loan documents. If the loan funds are not disbursed as required, the lender may not charge interest on the loan for the first 30 days following the date of closing.