

Compliance Focus Areas – Massachusetts

Application Disclosures

Addendum to Uniform Residential Loan Application (URLA) FNMA 1003 – Attorney Disclosure

- If separate disclosure from 1003, confirm dated same as 1003.
- Retail and Correspondent loans only (UWM must mail the disclosure to the borrower on broker loans – see below).

Lead-Based Paint Disclosure (properties built prior to 1978):

- Verify the disclosure date matches or pre-dates the date of the purchase agreement.
- This disclosure must be wet signed by Purchaser/Borrower, Seller and Real Estate Agent.
- Only required on purchase loans involving homes built prior to 1978

Loan Origination and Compensation Agreement: (this is no longer required for applications after 8/26/16)

- Verify the disclosure date matches the date of the 1003.
- This disclosure applies to brokered loans only and must be signed by borrower and broker.

Massachusetts License Number:

- State of MA requires the type and license number held by a Mortgage Originator to be disclosed at the time of application.
 - Needs to include both NMLS license number and specific State of Massachusetts license number.
- Can be disclosed on the Company Identifier field of the 1003 (bottom of page 3) or any other disclosure submitted at the time of application
- Document disclosing license numbers must be signed/initialed by borrower to demonstrate acknowledgement
- If Licensee is a Mortgage Broker, the term “Mortgage Broker” must be spelled out. Use of the short hand version “MB” is not allowed and the 1003 condition should not be cleared for Massachusetts unless license type is spelled out properly.

The Following Lender Disclosures Must be sent by UWM on Broker Loans

- ARM Disclosure
- MA Addendum to Loan Application - Attorney Disclosure

Fulfillment Disclosure

Notice of Flood Insurance Coverage

Marital Rights

- Massachusetts 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. A high-cost home loan is defined as a loan that either: 1) the APR exceeds eight percentage points over the yield of Treasury securities having comparable periods of maturity; or 2) total points and fees are in excess of the greater of 5% of the total loan amount or \$400 which is adjusted annually under TILA.

Closing Practices

Massachusetts is a wet settlement state. Funds must be disbursed to the settlement agent at, or before loan closing.