

## Compliance Focus Areas – Minnesota

### Application Disclosures

#### Residential Mortgage Originator Contract

- Must be dated at or prior to collection of any advanced fees.
- Must be signed by both the Borrower and Broker.
- Not applicable on retail/correspondent loans.

#### Borrower Reasonable Tangible Net Benefit Worksheet

- Must be dated prior to final approval.
- Must be signed by both the Borrower and Broker.
- Refinances only.

#### Originator Non-Agency Disclosure

- Must be dated within three days of 1003 for retail/correspondent loans.
- Must be dated within three days of submission to UW for broker loans.
- For broker loans must be a UWM disclosure and UWM must be named as originator.
- Form must contain the following language:
  - “Originator (for broker loans this must be UWM) IS NOT ACTING AS YOUR AGENT IN CONNECTION WITH OBTAINING A RESIDENTIAL MORTGAGE LOAN. WHILE WE SEEK TO ASSIST YOU IN MEETING YOUR FINANCIAL NEEDS, WE CANNOT GUARANTEE THE LOWEST OR BEST TERMS AVAILABLE IN THE MARKET.”
- Must be signed by Borrower.
- Not applicable for correspondents who are banks, savings banks, savings associations or credit unions.

### Fulfillment Disclosure

#### Rate Lock Agreement

### Marital Rights

- Minnesota is **not** a community property state.
- Non-borrowing titled spouses must sign the Mortgage, CD and Right of Rescission (if applicable) on purchase money and refinance transactions.
- Non-borrowing non-titled spouses are not required to sign on purchase money transactions.
- Non-borrowing non-titled spouses are required to sign on refinance transactions.

## Predatory Lending

- UWM does not purchase high-cost loans. Minnesota does not have a statute that addresses high-cost loans specifically. However, Minnesota law does provide that no residential mortgage loan can be made without verifying Borrower's reasonable ability to pay the scheduled payments, etc. Lenders must also disclose orally any anticipated payments for property taxes and hazard insurance not covered by escrow.
- Minnesota statute prohibits "churning", defined as making a loan when the new loan does not provide a reasonable, tangible net benefit to the borrower, considering all of the circumstances including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances.

## Closing Practices

Minnesota has a wet settlement law. Funds must be presented to the closing agent no later than closing.