

## Compliance Focus Areas – New Mexico

### Application Disclosures

#### Advance Fee/Application Disclosure

- Verify dated on or prior to collecting any fees.
- Must be signed by Borrower and Broker, or Lender if retail/correspondent loan.

#### Freedom to Choose Insurance Company and Insurance Professional

- Verify dated prior to final approval.
- Must be signed by Borrower.

#### Rate Lock Disclosure (All Loans) & Rate Lock Agreement (Locked Loans Only)

- Must be dated prior to or within three days after submission to underwriting for broker loans; within three days of the 1003 for retail/correspondent loans.
- Rate Lock Disclosure must be signed by borrower. Rate Lock Agreement must be signed by both the borrower and Broker, or Lender if retail/correspondent loan.

### Marital Rights

- New Mexico is a community property state.
- Except for purchase money mortgages, non-borrower spouses must sign the Mortgage, CD and Right of Rescission (if applicable).

### Predatory Lending

UWM does not purchase high-cost loans. A “high-cost home loan” is defined as a home loan in which: (1) the interest rate equals or exceeds seven percentage points over the weekly average yield on comparable U.S. Treasury securities for a first lien mortgage loan (nine percentage points for subordinate mortgage liens); or (2) the points and fees exceed 5% of the total loan amount excluding certain prepayment penalties and bona fide discount points.

### Closing Practices

New Mexico is not a wet settlement state. The caveat being, for purchase transactions, a lender shall deliver the required net loan funds within two business days of the time lender deems the closing agent has fulfilled the requirements of the closing agent’s duties, except for recordation of documents, and shall:

1. Authorize the closing agent to record with the county clerk all documents necessary to complete the real estate transaction and release the proceeds of the real estate transaction in accordance with agreed upon escrow instructions;
2. Advise the closing agent of any funding conditions, as set forth in the lender's escrow instructions, that have not been satisfied and instruct the closing agent in writing what is to be done with any of the lender's funds held in escrow; or

3. Advise the closing agent that the documentation for the real estate transaction does not satisfy the lender's escrow instructions, specify the manner in which that documentation does not satisfy those instructions and instruct the closing agent in writing what is to be done with any of the lender's funds held in escrow. (N. M. S. A. 1978, § 58-21-23)