

Compliance Focus Areas – New York

Application Disclosures

Pre-Application Disclosure and Fee Agreement for use by NY Registered Mortgage Brokers (Broker or Banker acting as Broker):

- Verify broker compensation - this should match the Destiny Wholesale Extra Information Screen.
- Verify the disclosure date is on or prior to 1003.
- There are two different versions of this form (broker form and a banker acting as broker form). Only one form is required per transaction depending on how the mortgage broker is licensed.
- This disclosure is for broker loans only and must be signed by borrower and broker.

Application Disclosure (Primary Purchases Only):

- Verify the disclosure date is on or prior to 1003 for retail/correspondent loans
- Verify the disclosure date is on or prior to submission to UW for broker loans.
- For broker loans must be a UWM disclosure and UWM must be named on form.
- This disclosure must be signed by borrower.
- This disclosure is required for purchase transactions only.
- Not applicable for investment properties.

Interest Rate Disclosure:

- Verify disclosure dated prior to submission to UW for broker loans or 1003 for retail/correspondent loans.
- For broker loans must be a UWM disclosure and UWM must be named on form.

Fulfillment Disclosures

The NY Lock-In Agreement and NY Interest Rate Lock Commitment will automatically generate as part of the EASE Docs (Docutech) Closing Disclosure package.

Lock In Expiration Notice

Marital Rights

New York is **not** a community property state. Non-borrowing non-titled spouses are never required to sign the mortgage, CD and Right to Cancel.

Predatory Lending

UWM does not originate or purchase high-cost home loans. A high-cost home loan is defined as 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 5% of the total loan amount, excluding certain bona fide discount points.

Closing Practices

The lender's attorney closes loans in New York. Purchase transactions may have up to three separate attorneys at closing (lender, borrower and seller). There will also be a title agent that issues insurance. For refinance transactions there is often only the lender's attorney and a title agent present at closing, although the borrower may bring an attorney also. **CPLs are not required** for closings, however, Error and Omission policies must be supplied for each closing.

CEMA Loans

CEMA is a loan product that provides substantial tax savings for borrowers. It allows for the consolidation, extension and modification of an existing loan from another lender into a new loan with USFS. Only certain attorneys are permitted to close CEMAs for USFS – reference the approved list on EASE.