



Compliance Announcement

IMPORTANT

Effective with applications taken on or after January 1, 2010, ClearPoint Funding will apply certain changes to the following:

- RESPA Policy
-

Good Faith Estimate of Settlement Charges

- All loans with an application taken on or after January 1, 2010 must contain the new GFE form in the file; no exceptions.
 - ClearPoint Funding will review the initial submitted GFE to verify it meets compliance requirements to move forward with the loan. Loans that do not meet compliance requirements will be rejected.
-

Issuance of Revised Good Faith Estimate

- Any subsequent Good Faith Estimates will require approval and be issued by ClearPoint Funding. Written documentation supporting the request for an updated GFE must be included for review detailing the change of circumstance.
 - ClearPoint Funding will not allow a Good Faith Estimate to be updated without approved change of circumstance. The new Good Faith Estimate will be sent to the borrower with a cover letter detailing the new terms.
-

Continued on next page

Compliance Announcement, Continued

Changed Circumstances

- The Loan Originator is bound to GFE tolerances unless a new GFE is provided; ONLY changed circumstances allow re-disclosure of certain terms on a GFE. The New Rule defines “changed circumstances” as:
 - 1 acts of God, war, disaster or other emergencies;
 - 2 application information that the lender relied on in providing the GFE but subsequently changes or is found to be inaccurate;
 - 3 information on the borrower’s credit report obtained before providing the GFE that subsequently changes;
 - 4 new information particular to the borrower or the transaction (excluding any of the terms of financial information that at minimum are deemed to constitute an “application”) that was not relied on by the lender in providing the GFE; and
 - 5 Other circumstances particular to the borrower or the transaction, such as boundary disputes, the need for flood insurance and environmental problems.
 - If there is a “changed circumstance” the Lender will issue a revised GFE within three business days of receiving the information sufficient to establish changed circumstances. Documentation to support the changed circumstance must be retained in the loan file for 3 years after the date of settlement.
-

Important Dates

- Loans must be locked with ClearPoint Funding at least 7 days prior to closing.
 - Loans that have a floating interest rate at the time of GFE issuance must have “N/A” or the preparation date of the GFE entered for date of expiration that the rate is available.
 - When an interest rate is locked, a new Good Faith Estimate must be issued.
-

Summary of Your Loan

- ClearPoint Funding does not offer any products that contain negative amortization, a prepayment penalty, or a balloon payment.
-

Your Adjusted Origination Charge

- ClearPoint Funding does not allow for both yield spread premium to be earned and discount points to be charged on the same loan.
-

Continued on next page



Compliance Announcement, Continued

- Tolerances**
- The first “Fixed” tolerance is zero percent. This tolerance applies to all lender and mortgage broker origination fees, transfer taxes and if the interest rate has been locked any discount points or Yield Spread Premiums. None of these items may exceed the amount disclosed on the GFE by any amount.
 - The second tolerance is 10 percent. This tolerance applies to the total of:
 - All lender-required settlement services paid to providers selected by the lender
 - All lender-required settlement services paid to providers selected by the borrower from lender-provided lists
 - Premiums for optional owners’ title insurance selected by the borrower from lender-provided lists
 - Government recording fees
 - This means the sum of the actual charges cannot exceed the sum of the charges disclosed on the GFE for these items by 10%.
 - The third tolerance is for fees that may change at settlement (no tolerances apply):
 - Required services the borrower shops for,
 - Title services and lender’s title insurance not identified by the lender;
 - Owner’s title insurance not identified by the lender;
 - The initial deposit for an escrow account;
 - Daily interest charges; and
 - Homeowners Insurance.
-

Settlement Service Providers ClearPoint Funding will require at the time of loan submission verification of who the settlement service providers will be, a fully completed fee schedule, and how the settlement services providers were selected including the list provided to the consumer.

Using the Tradeoff Table ClearPoint Funding requires that column 1 be completed. Columns 2 and 3 are optional unless mandated by state law. Subject properties located in New Hampshire must have all 3 columns completed for ClearPoint Funding.

- HUD-1 Settlement Statement**
- ClearPoint Funding will require that the new HUD-1 Settlement Statement be used when the new Good Faith Estimate has been issued.
 - Any variances to the HUD requiring an update be issued must be done prior to closing.
-