



Foundations

CUsource, LLC Real Estate Newsletter December 2010

Volume 6 Issue 5

Loan Servicing Announcements

Property taxes were paid from escrow accounts on November 17, 2010, they will show on the member's November billing statement.

Year end is fast approaching and we have special procedures for loan servicing on the last day of the year. Please be watching for email notifications with requested information on closing times and contact person at your credit union. We do not post payments on the last day of the year until drive-up and teller line are closed to members. This process ensures that all payments received as of the last business day are posted for tax purposes.

1098's will be mailed out January 18th for all loans that had more than \$600.00 in interest. These forms will be available on the webfolder for reprinting if need be. The YTD interest information can also be found on the mortgage inquiry tool for your RELN in FSP.

Important Dates & Announcements

CUsource will be performing maintenance on the system with year end compliance upgrade in December. We are waiting for the release and will let you know as soon as possible. We plan to upgrade after hours to minimize impact on your loan files.

We will be closing at 1:30 p.m. on Christmas Eve.

Tips and reminders for smoother processing

PHH is not accepting underwriting files if the following items are missing:

- ◆ Signed application by all parties including loan officer
- ◆ Signed GFE acknowledgment and TIL
- ◆ Income documentation per DU
- ◆ Asset documentation per DU
- ◆ Signed 4506T by all borrowers completely filled out

The following items are required for all PHH loans for purchase of your loan:

- ◆ Verbal VOE within 10 days of closing
- ◆ Signed credit inquiry letter for all inquiries within 90 days of application

Please ensure that you are including all of these items with your credit submission or prior to closing. These simple tasks make it smoother for your loan to be approved and purchased.

Minimum of 48 hours notice required for all closings. This ensures that we have time to verify insurance and get the HUD and documents to title agent in a timely manner.

Real estate loan information sheet is required with all submissions. (CURELIS)

This form is available on our website. This information is vital to getting your loan scored and title and appraisal ordered in a timely manner. Please also complete the insurance and tax information section for all loans, even if there is an escrow waiver.

FYI: Minimum credit score for all FHA loans is now 640, previously it was 620.



The CUsource real estate staff wishes you happy and safe holiday season.

We thank you for your continued support and business.

Merry Christmas!

FHA Reform

FHA Reform - Elimination of Loan Correspondent Approval for Single Family Programs Impact to Clients Not Currently Originating FHA Loans

As outlined within [HUD Mortgage Letter 2010-20](#), after December 31, 2010, Loan Correspondents (also referred to as sponsored Third Party Originators) will be permitted to continue participation in FHA programs by establishing a sponsorship relationship with an FHA-approved Direct Endorsement (DE) mortgagee. As such, PHH Mortgage will begin accepting FHA Third Party Originator (TPO) applications for non-approved originators and previously approved loan correspondents whose approval has since expired. Please contact your Account Executive for assistance regarding applications and/or contracts. Upon approval, clients will be designated as a Third Party Originator or TPO with PHH Mortgage. The approval process includes completion of a webinar provided by PHH Mortgage entitled "FHA for Sponsored Third Party Originators".

Tier 3 Broker:

Prior to May 2010, in the Tier 3 broker process, PHH was the Lender/Sponsor and the Tier 3 broker was the Originator. After May 2010, the Originator relationship is deleted and PHH continues to be the Lender/Sponsor. The Tier 3 broker originates and processes the loan, and PHH orders the appraisal and case number through STARS (PHH's appraisal management company). PHH maintains delegated authority with FHA, underwrites the loan, and closes the loan. PHH also remits the Mortgage Insurance Premium (MIP) and submits the loan for the loan guarantee.

Impact to Clients Currently Originating FHA Loans

As outlined within [HUD Mortgage Letter 2010-20](#), after December 31, 2010, loan correspondents (also referred to as sponsored Third Party Originators) will be permitted to continue participation in FHA programs by establishing a sponsorship relationship with an FHA-approved Direct Endorsement (DE) mortgagee. A loan correspondent already approved by FHA and in good standing as of May 20, 2010, will maintain its approval through December 31, 2010. As such, approved correspondents may continue to originate mortgage loans insured by FHA through the end of the calendar year.

Tier 3 Broker Options:

After December 31, 2010, the Tier 3 broker will relinquish their HUD ID number and can no longer directly access FHA Connection. PHH will order the appraisal and case number through STARS and will be responsible for FHA re-approval going forward. A Webinar provided by PHH entitled "FHA for Sponsored Third Party Originators" will be required within 60 days of approval, if not currently doing FHA business with PHH as either Tier 3 or Tier 6.

More information will follow from PHH on the process, they have not sent us new contracts for this process yet.

A reminder from Stacy: Signed credit inquiry letter for all inquiries within 90 days of application

When the only credit inquiry on the report is from us for the loan the members are currently applying for, I (Stacy) provide this letter.

When there is more than one inquiry within the last 90 days then the loan officers need to have the members do the letter. Thanks.



Welcome!

CUsource welcomes Gail Burt as our newest full time employee. Gail joins us as a Real Estate Loan Processing Specialist. Gail originally joined the team as temp help last summer.

Gail has worked in the credit union industry for the last five years. Her and her husband Aaron have a two year old boy, Sebastian.

Gail loves to read and fence! Not the hammer and nails fencing, but the swashbuckling, javelin type. We are glad to have her join us in the real estate battle.

