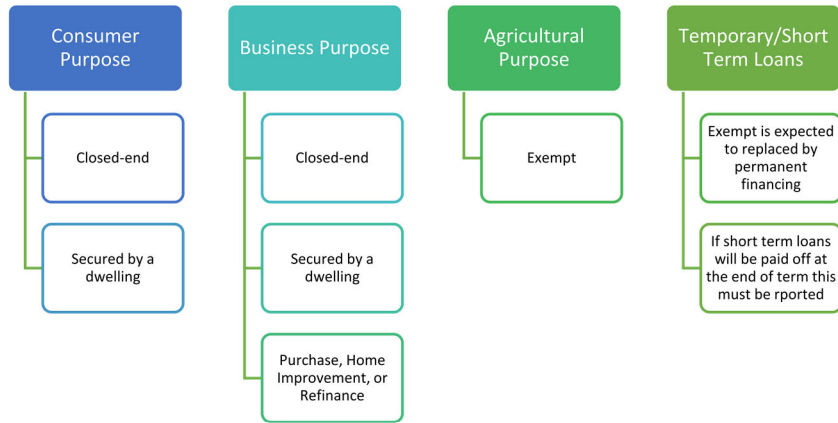


Home Mortgage Disclosure Act



HMDA

- A refinance is a new dwelling secured loan that satisfies and replaces an existing dwelling secured loan to the same borrower (only one borrower on the new loan and old loan must be the same)
- If a loan is NOT being paid off it is not considered a refinance

ABOUT CREDIT.....

- Pull credit for married borrowers jointly
- Pull credit for non-married borrowers individually
- Credit fees are not passed on to the borrower
- There must be a permissible purpose for pulling credit
- Do no pull credit until there is a completed application

ABOUT EXCEPTIONS.....

MUST HAVE TWO DIFFERENT FACTORS AND APPROVED BY MANAGER

PRICING EXCEPTIONS APPROVED BY PRICING COMMITTEE AND COMPLIANCE

RATES ARE CONSISTENT BECAUSE LOAN RATE CALCULATORS ARE USED

LENDERS DO NOT HAVE THE ABILITY TO GRANT ANY TYPE OF EXCEPTION- ALL EXCEPTIONS GO THROUGH APPROVAL PROCESS.

INCOME

- Non-taxable income should be grossed up by multiplying by **1.35**
- This includes Social Security, public assistance, VA and other disability payments, child support, interest on tax-exempt bonds.)

Lender Cheat Sheet

Regulation B – Equal Credit Opportunity Act

Do not inquire about marital status if the loan is unsecured

Joint Intent to apply for credit must be documented at application when two borrowers are applying together

- Commercial loans are documented in nCino
- Consumer loans are documented on the application
- ***Guarantors are not considered a borrower and does not trigger the need for joint intent

Borrowers must be notified of action taken within 30 days of application date
Remember to consider the Second Review in the 30 day timing

If applicants do not qualify for a loan on their own, a co-signor may benefit them and should be offered to all applicants

- **Do Not suggest who the co-signor should be**, that is left up to the borrower to decide. (ex. Do not suggest adding a spouse)

All borrowers must receive the right to receive appraisal notice when a 1st lien on a dwelling is taken as collateral

Government Monitoring Information/Demographic Information

Must be collected and disclosure read at application for all HMDA loans

Commercial Loans: disclosure is located in nCino and information is recorded in nCino

Consumer Loans: disclosure is located on the application and recorded information is recorded on the application

If application taken in person and borrower does not provide, guess based on visual observation or surname; mark "collected by visual observation"

If application is taken over the phone and borrower does not wish to provide, all choices must be selected as "Information not provided"

SAFE ACT and Regulation Z

List NMLS# on:

- Application
- Note
- Deed
- Correspondence (Including emails)
- Business Cards

Consistency is Key! Be consistent in documentation, how customers are treated, and how terms are negotiated.