

What's New

A summary of recent and upcoming changes:

| | |
|---|--|
| VA IRRRL Net Tangible Benefit Requirements | <p>LDW has made changes to its VA IRRRL Recoupment and Certification policy as follows:</p> <ul style="list-style-type: none"> • Interest Rate Decrease Requirement: An IRRRL (which can be a fixed rate, hybrid Adjustable Rate Mortgage (ARM) or traditional ARM) must bear a lower interest rate than the loan it is refinancing unless: <ul style="list-style-type: none"> ○ The IRRRL is refinancing an ARM and going into a Fixed loan term ○ Term of the IRRRL is shorter than the term of the loan being refinanced • Payment Decrease/Increase Requirement: The principal and interest payment on an IRRRL must be less than the principal and interest payment on the loan being refinanced unless: <ul style="list-style-type: none"> ○ The IRRRL is refinancing an ARM and going into a Fixed loan term ○ Term of the IRRRL is shorter than the term of the loan being refinanced • Recoupment Requirement: Fees and charges the veteran(s) incurs as closing costs for a VA IRRRL loan must be included in the recoupment period. The veteran(s) must meet the required recoupment periods below (unless the IRRRL is refinancing an ARM and going into a Fixed loan term, or the term of the IRRRL is shorter than the term of the loan being refinanced): <ul style="list-style-type: none"> ○ The recoupment period for all allowable fees and charges may not exceed 60 months unless: <ul style="list-style-type: none"> ▪ The monthly principal and interest payment on the new loan is reduced by \$100.00 less than the principal and interest payment on the existing loan ▪ The interest rate on the new loan is reduced by .5% or more than the interest rate in the existing loan AND monthly P&I savings is \$50.00 or more with the maximum recoup of 84 months <p>We have created a VA NTB Calculator for your use to help determine the required Net Tangible Benefit.</p> |
| Approved credit vendors | <p>loanDepot Wholesale has updated their list of Approved Credit Vendors.</p> |
| Key Dates | <p>January Key Dates are now posted on the loanDepot Wholesale website. Please click here to view</p> |



| | |
|--|---|
| <p>203(h) Matrix Update</p> | <p>The 203(h) product matrix has been updated to reflect the 2018 conforming loan limits for the 520 fico guideline.</p> |
| <p>Reminder of 2018 Changes</p> | |
| <p>Loan Limit Changes</p> | <p>Conforming- 2018 Conforming Loan Limits are now live in the Broker portal for all floating loans and loans locked on or after December 21, 2017. All conventional loan programs have been updated to allow for the increased loan amounts.</p> <p>FHA- The maximum loan limits for FHA forward mortgages will rise in 3,011 counties and apply to FHA case numbers assigned on or after January 1, 2018. LDW will start accepting loans with the 2018 limits starting January 1, 2018. Click here for a complete list of FHA loan limits.</p> <p>VA- The Veterans Benefits Administration has announced the Dept. of VA's effective loan limits for loans closed on or after January 1, 2018. All loans closed on or after January 1, 2018, will be eligible for the new VA loan limits. LDW will start accepting the new VA loan limits effective on or after January 2, 2018. To price/lock new and existing loans with the new VA loan limits prior to January 2, 2018:*</p> <ul style="list-style-type: none"> - New submissions and existing floating loans: <ul style="list-style-type: none"> ○ Run product and pricing in LDW's Broker portal with the current loan limits to confirm eligibility and lock or confirm pricing (if floating) at current loan limits ○ Contact your Account Executive, who will work with our internal Operations team to manually price/lock the loan at the correct loan amount - Existing locked loans: <ul style="list-style-type: none"> ○ Contact your Account Executive, who will work with our internal Operations team to manually price/lock the loan at the correct loan amount <p>*All loans priced/locked with new VA loan limits must fund on or after January 2, 2018</p> |
| <p>HMDA</p> | <p>Starting with new applications taken 1/1/18 or later, loanDepot Wholesale will require, at submission, FNMA's Demographic Information Addendum as part of the 1003. The addendum will supersede any demographic information provided on the 1003.</p> |
| <p>Form 4506-T</p> | <p>The IRS has released new versions of forms 4506-T and 4506T-EZ (July 2017). Any orders placed after January 1, 2018 must be submitted using the new forms or they will be rejected. Also, as a reminder, LDW requires completed 4506-T forms at submission on all transactions.</p> |



| | |
|---|--|
| <p>California Recording Fees</p> | <p>On September 29, 2017 the state of California enacted the Building Homes and Jobs Act, impacting CA refinance transactions (excludes purchase transactions), beginning January 1, 2018. In addition to the existing recording fees, a fee of \$75 (not to exceed \$225 or 3 documents) per single real estate transaction, shall be paid at the time of recording every “real estate instrument, paper, or notice” (Cal. Gov. Code § 27388.1). The purpose of the bill is to provide affordable housing opportunities by establishing a permanent, ongoing source of funding.</p> <p>LDW now requires all CA refinance transactions not scheduled to close in 2017 to include this additional recording fee:</p> <ul style="list-style-type: none"> • Loan Estimates (LE) generated through our Broker portal will pre-populate the new fee at the \$225.00 max allowable fee, meaning it will be imposed on no more than three (3) document types per transaction regardless of how many documents are recorded • Broker generated LEs must have the additional recording fee disclosed as well as documented on the Title fee quote |
| <p>Texas A6 Amendments</p> | <p>On November 7, 2017, Texas voters passed a ballot measure to amend the home equity lending provisions under Texas A6. The amended provisions will lower the threshold of applicable fees that can be charged on a home equity loan from 3% to 2% and will exclude certain fees previously included, such as appraisal, survey, title insurance premiums, and a title examination fees.</p> <p>The amendments will take effect on January 1, 2018. For any active Texas A6 transactions that do not sign loan documents on or before December 31, 2017, a new 12-day notice will be provided to the borrowers for signature and a new 12 day waiting period must elapse before the loan can fund.</p> |

