



# WHOLESALE BULLETIN

IMPORTANT INFORMATION: PLEASE READ IMMEDIATELY

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## 18W-088

Attention: Business Development Managers & Mortgage Brokers

October 1, 2018

Please take a moment to read the important information contained in this bulletin.

Included in this Bulletin: **Monthly Bulletin Digest – September 2018**

*Below is a recap of the Bulletins that were released last month:*

*(Complete bulletins are located on the MWF Internet page under resources or by clicking on the [Wholesale Bulletin](#) link here)*

Topic	Bulletin Number	Detail
Monthly Bulletin Digest	18W-082	
Multiple Underwriting Guideline Updates and Clarifications	18W-083	
Important Dates for Refinance Transactions	18W-084	For Refinance Loans closing in the month of October, please review the bulletin for important information and dates.
High Priced Mortgage Loan Reminder	18W-085	<p>Mountain West Financial, Inc. (MWF) will fund loans defined as Higher-Priced Mortgage Loans (HPML) and Section 1026.35(a) of Regulation Z (referred to as HPML loans or Section 35 loans). MWF applies HPML rules to all owner-occupied loans, regardless of loan purpose (purchase or refinance).</p> <p><u>Applicable Transaction Types</u></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> TDs and subordinate liens</li> <li>• Closed-end loans</li> <li>• Purchase money and refinance transactions on a borrower's primary residence including manufactured homes, and government loans (i.e. FHA, VA).</li> </ul> <p><u>Ineligible Loan Products</u> MWF will not fund HPMLs for the following products:</p> <ul style="list-style-type: none"> <li>• FHA Streamline</li> <li>• VA IRRRL</li> <li>• Conventional, FHA or VA ARM loans 3/1 and 5/1</li> </ul>

		<p><u>Transaction Types Excluded from HPML Requirements</u></p> <ul style="list-style-type: none"> <li>• HELOCs</li> <li>• Second Homes</li> <li>• Investment Properties</li> </ul> <p><b>Definition</b> A HPML loan is one in which the APR exceeds the applicable Average Prime Offer Rate (APOR), available on the Monday preceding a lender's application receipt, by more than 1.5% for first liens or 3.5% for junior liens.</p> <p><b>Average Prime Offer Rate (APOR)</b> An APOR that is derived from average interest rates, points, and other loan pricing terms currently offered to consumers by a representative sample of creditors for mortgage transactions that have low-risk pricing characteristics. The APOR is published and updated at least weekly.</p> <p><b>Rules for Higher-Priced Mortgage Loans</b> HPMLs are subject to the following restrictions:</p> <ul style="list-style-type: none"> <li>• Ability to Repay: A creditor is prohibited from extending credit based on the value of the consumer's collateral without regard to repayment ability of the consumer</li> <li>• Escrow Accounts: Are required on all HPMLs</li> <li>• Impounds must be maintained for a minimum of 5 years</li> </ul> <p><u>HPML Requirements – Conventional Loans</u> Specific to High Priced Mortgage Loans for owner occupied transactions, a Second Appraisal is required if:</p> <ul style="list-style-type: none"> <li>• Increase in value exceeds 10% and the most recent transfer of title took place <math>\leq</math> 90 days prior to the application date.</li> <li>• Increase in value exceeds 20% and the most recent transfer of title took place between 91 and 180 days prior to the application date.</li> <li>• The second appraisal must be ordered through MWF and may not be paid for by the borrower.</li> </ul> <p>For additional information, please contact your MWF Business Development Manager or Account Executive.</p>
Fannie Mae DU Release Notes Sept 2018	18W-086	<p>Effective the weekend of September 22, 2018, Fannie Mae implemented a new version of the Desktop Underwriter Underwriting Findings report. The new report will be an option available for DU Version 10.1 and DU Version 10.2 loan casefiles after the weekend of September 22, 2018.</p> <p>Please refer to the bulletin for complete details and examples.</p>

BOLT Generated  
Disclosures Unavailable

18W-087

In preparation for implementing TRID 2.0, the ability to generate disclosures will be temporarily unavailable Saturday and Sunday, September 29<sup>th</sup> and 30<sup>th</sup>. LE's, COC's, CD's and Closing Documents will be impacted during this system update.

All other BOLT functionality will be unaffected.

**Refer to individual Bulletins for complete details.**