



Mortgage Services III, LLC

A Subsidiary of First State Bank Member FDIC

Wholesale Partner Announcement

At MSI...Your Interest Is Our Priority!

Issue Date 01/08/10

Effective Date As Noted

WPA 2010-001

RESPA Reform; FHA Appraisal; IL Land Trust; Broker Fee Agreement

Purpose

This Announcement:

- ✓ Provides MSI forms and a certification requirement for RESPA Reform.
- ✓ Publishes the new effective date for FHA Appraisal Independence guidelines in compliance with HUD's delay issued by Notice on December 22, 2009.
- ✓ Reminder and clarification for Illinois Land Trust transactions.
- ✓ Important Reminder: MSI requires the Mortgage Broker Fee Agreement.

Effective Date

As Noted.

**RESPA Reform
– MSI Forms**

Effective With Loan Applications taken on/after January 01, 2010 – For All Loans:

GFE Certification and Applicant's Intent to Proceed:

- ✓ To document compliance with the new RESPA Reform requirements, MSI requires the Seller to certify issuance of the Good Faith Estimate (GFE) using the MSI Certification Form (or an equivalent).
- ✓ MSI will delay loans delivered without the certification for underwriting and/or funding/purchase.
- ✓ The Form is attached to this Announcement and will be posted to the MSI Web Site.
 - Completion of the form is simple and self-explanatory.

Changed Circumstances Form:

- ✓ MSI announced our documentation requirements for Changed Circumstances in December, 2009. Those requirements will be placed into the Seller Guide within the next week. See the **Reminder** on the next page for documentation requirements (revised for the Changed Circumstance Form).
- ✓ To provide a formal structure to document "changed circumstances" MSI requires the use of the MSI form or an equivalent.
- ✓ The form is attached to this Announcement and will be posted to the MSI Web Site.
 - Completion of the form is simple and self-explanatory.

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RESPA Reform, Continued

Reminder:

Changed Circumstances – Documentation Requirements

- ✓ Any time a new GFE is required, MSI requires documentation that explains the reason for the new GFE.
- ✓ At a minimum, the broker/lender should include:
 - **Re-Disclosed GFE (s)** – the loan must include the initial GFE and any subsequent re-disclosed GFE in order of date (to clearly indicate the date order of the changes).
 - Each re-disclosed GFE must include a fully completed Changed Circumstances Form.
 - The Final GFE should be stamped or printed clearly “Final” on the top of the form.
 - **History via Changed Circumstances Form:** Seller must use the MSI Changed Circumstances Form (or an equivalent) to document the history of the changed circumstances. The detailed history must contain (but is not limited to) the elements below:
 - Date of each changed circumstance.
 - Date of each re-disclosure.
 - Description of or reason for each changed circumstance
 - Fees impacted by the changed circumstance.

FHA Appraiser Independence Delay

Effective 1/01/10 through 2/14/10

FHA has delayed implementation of the Appraiser Independence requirements announced in ML 2009-28 until February 15, 2010.

- ✓ For your convenience, MSI will retain our requirements in the Seller Guide and change the effective date to 2/15/10.
 - Any subsequent changes to our requirements as a result of this FHA delay will be announced.

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RESPA Reform; FHA Appraisal; IL Land Trust; Broker Fee Agreement, Continued

Illinois Land Trust

Reminders:

- ✓ MSI permits IL Land Trusts only in the state of IL.
- ✓ The IL Land Trust is permitted only for conventional loans.
 - Government loans are not permitted.
- ✓ The IL Land Trust must meet all MSI requirements outlined in the Underwriting Chapter.
- ✓ For your convenience, MSI has posted an IL Land Trust Checklist on our Web Site.

Clarification:

- ✓ IL Land Trusts are permitted on single family owner-occupied properties only (including second homes).

Mortgage Broker Fee Agreement

Important Reminder:

MSI requires that all loan brokers provide the fully executed Mortgage Broker Fee Agreement form in each package submitted for underwriting and funding.

- ✓ MSI provides a generic form on the Web Site for your convenience.
- ✓ Loans submitted without the completed form (or an equivalent) will be delayed pending receipt.

Seller guide

The Seller Guide will be updated within 2 business days of the effective date of each topic.

Questions

If you have questions, contact your Account Executive.

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Originator Certification of Borrower Intent to Proceed

The undersigned certifies that the following Loan Applicant(s):

- ✓ Has/have been provided with an initial GFE within 3-business days of the application date;
- ✓ Has/have confirmed receipt of the initial GFE in compliance with the originator's regulatory process;
- ✓ Has/have expressed verbally to the Originator, their intention to proceed with the loan covered by the issued GFE; and,
- ✓ Were not charged any fee prior to receipt of the GFE, with the permitted exception of a reasonable credit report fee.

Loan Applicant(s) Name(s):

Subject Property Address:

Loan Originator Company Name:

**Authorized Representative
(Printed Name)**

Signature, Authorized Representative

Certification Date:

RESPA Changed Circumstance Detail Form

- ✓ Complete this form for **each** changed circumstance that results in GFE re-disclosure; **and**
- ✓ Include **each** separate Form behind the applicable GFE in the loan file.

Borrower (s) Name

Subject Property Address:

Date of Change:

Date of GFE Re-Disclosure:

Details of Change:

**Fee Changes Associated
With Changed
Circumstances:**

\$	<hr/>	\$	<hr/>
\$	<hr/>	\$	<hr/>
\$	<hr/>	\$	<hr/>
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