



## Things to Know from the Compliance Team

### Compliance Corner

- ✓ **If borrower “wet” signs a LE or CD**, but was sent through edisclosure and borrower views document in their account, encompass will reset timelines based on view date, could result in extending out closing date.
- ✓ When sending a COC for CD and **CD that includes a tolerance cure**, check the “Tolerance Cure” reason to clear alert.
- ✓ **If transferring file to another Loan Officer**, must complete the LO Transfer form, found in the Knowledge Center, and submit to the Help Desk for processing.
- ✓ New Policy (memo attached and can be found in the Knowledge Center); **Program change** after ICD had been issued will result in a denial and **file restart**.

### Disclosure Corner

- ✓ **Flood insurance must always be escrowed**, even if an escrow waiver applies
- ✓ **When collecting for flood insurance in escrows**, should be listed on lines 1007 and below, 1006 is designated for flood reserves and not mapped to escrow per Ellie Mae. If not listed in 1007 and below, page 1 of your LE and CD will not reflect as included in escrows (“Yes”). Aggregate adjustments would also be listed as User # versus flood insurance.
- ✓ **When adding a collection in lines 1007 and down**, reflected as “other”, make sure to enter what is for in the “Other” section of itemization.

<input checked="" type="checkbox"/>	Property Taxes
<input checked="" type="checkbox"/>	Homeowner's Insurance
<input checked="" type="checkbox"/>	Other <input type="text" value="Flood, CA Fair Plan, HOA Dues"/>

- ✓ **Texas loans**, documents are dictated by program choice and check boxes on the state specific screen:
  - If rate/term refi, and never a cash out previously-Homestead box checked, continuous purchase money
  - If rate/term, but previously a cashout: Homestead and Texas 50(a)(4) if more than 12 months
  - If previously a cashout and less than 12 months, cannot be a rate/term, must be a cashout refi: Homestead only, but program is the “TX Home Equity First 50(a)(6)”
  - If cashout: Homestead only

### Re-Disclosure Corner

- ✓ **When adding a borrower after initial disclosure** and change has occurred resulting in the need for redisclosure of the LE to the original borrower, RD must redisclose prior to sending application package to added borrower.
- ✓ An address correction or name correction **does not require a redisclosure**
- ✓ Loan cannot be redisclosed until **lock is validated**. If your lock has a variance, an alert will appear which reads “variance detected”. This is your first indication you have an issue.
- ✓ **Transfer taxes** increasing only allowed if sales price or loan amount increased. If not disclosed and added, only allowed if purchase contract reflects a change from seller paid to borrower paid.
- ✓ Please be mindful of emails from the Redisclosure desk and respond. **Failure to respond could result in a tolerance cure to you.**

### Loan Status Corner

- ✓ **“TBD” must reflect as exactly that.** Can not enter “123 TBD”, “TDB” or “To Be Determined”. If anything but “TBD” is entered, encompass will trigger as an address
- ✓ Reminder: **Regulation B requires a TRID application to be dispositioned within 30 days.** This means withdrawn (if applies), submitted to underwriting (if we have documents required for credit decision), Notice of Incomplete issued (if missing credit decision documentation, or denied. An email is sent to LO and LP when loan is nearing 30 days.
- ✓ **TBD loans** not resulting in a TRID application are automatically **closed out after 6 months.**
- ✓ **Loans suspended after 30 days** without activity may result in a denial issued and loan closed out.
- ✓ **Denial does not mean file restart** in many scenarios. Loan can be reactivated.

### Post Consummation Corner

- ✓ Any fee listed on the itemization which allows or requires a **“Paid to” must be entered.** These cannot not be left blank or reflect “TBD”
- ✓ If we are collecting for an **appraisal fee on the CD, payee must reflect “Gold Star FBO....”.** Funding will not withhold from wire unless it reflects paid to Gold Star and title/escrow will not pay directly to the appraiser.
- ✓ **Transfer taxes**, stamps, etc, must reflect the county being paid to not a third party or title/escrow company
- ✓ **Realtor fees**, such as compliance, transaction etc., must be listed in the 1300 section under the double starred lines (\*\*1310-1320), listed in the single starred lines (\*1302-1309) will result in an incorrect tolerance cure needed.

### Insuring Corner

- ✓ **Borrowers name** on loan documents and in encompass must match in WebLGY on VA loans and in FHA Connection for FHA loans. If a discrepancy, one or the other needs to be corrected.
- ✓ **Final AUS** information must match on Loan Summary for VA and in FHA Connection for FHA
- ✓ **The FHA Settlement Certification** must be signed by all parties on a purchase transaction. Only Exception is a HUD REO.
- ✓ Loans purchased for **amount exceeding the purchase contract**, difference is included as down payment on **VA** for your funding fee calculation.

**In General Reminders:**

Any suggestions, topics, or questions you may have, you can always reach out to me directly for review at [lpearse@goldstarfinancial.com](mailto:lpearse@goldstarfinancial.com)

If you are having any issues or need assistance, please reach out to Help Desk @ [HELP@goldstarfinancial.com](mailto:HELP@goldstarfinancial.com)

[Click here](#) to find on the Knowledge Center.