

# HSOA RESPA UPDATE

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# Agenda

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- Common errors on GFE
- Pricing Examples
- Question and Answers

# Things to Remember

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- ❑ Regardless of who is paying them **all fees** must be included on the GFE.
- ❑ SSP List must be included in submission
- ❑ Intent to Proceed must be included but does not need to be signed by the borrower. The submitting Broker must sign.

# Things to Remember cont'd

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- RESPA Fee Worksheet must be included with all submissions.
  - May be from Broker LOS or HSOA Worksheet.
  - HSOA Worksheet may insure that all fees are captured and are submitted in the correct BLOCK of GFE.

# Important Date Section of GFE

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- Rate Available Through** is the Expiration Date of lock for the loan.
  - When a loan is not locked this is the date that interest rate and fees disclosed on page 2 are guaranteed to borrower.
  - Estimate for all other settlement charges are **10 Business Days**, not calendar days and may not be random.
  - After rate is locked you must go to settlement in xx days. Rate lock period, not closing date.
    - Does not need to include right of rescission period. (If loan is locked for 30 days, enter 30 days).

# Adjusted Origination Charges

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- ❑ **Block 1** discloses how much **YOU** plan to make on loan.
- ❑ Fees not disclosed that belong in this block (eg: HSOA Admin fee) will be charged to Broker at closing, not borrower.
- ❑ YSP must be included in this amount
- ❑ YSP may not be increased when loan is locked.
- ❑ Additional YSP is credited to borrower at closing.

# Block 2

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- ❑ Any YSP paid on loan must be disclosed **IN FULL** in Block 2.
- ❑ If charging points and receiving YSP, the two figures must be added together and disclosed appropriately.
  - YSP of \$500, points of \$1200
  - YSP is credit; add  $-\$500 + 1200 = \$700$
  - \$700 is disclosed in Block 2, Box 3.
  - YSP has been credited to borrower to offset the discount point cost.

# Remaining Blocks of GFE

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## □ Block 3

- Upfront MIP and VA Funding Fee are to be included in this block.

## □ Block 4

- Must include **ALL of the Title** fees, including: Lenders title insurance, closing fee and all other fees closing agent determines to be included.

## □ Block 5

- Regardless of who is paying the Owners Title Insurance the amount must be included in this Block

# Remaining Blocks cont'd

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- Block 6
  - Additional Services that are required on loan must be disclosed in this block.
- Block 7
  - All borrower recording charges including government recording charges must be included.
- Block 8
  - All transfer taxes are included in this block
- Blocks 9 – 11
  - Even though these do not have a set tolerance, they **MUST BE COMPLETED.**

# Pricing Examples

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