

## Good Faith Estimate

- Your initial GFE to the borrower will be the binding GFE.
- The new Good Faith Estimate (GFE) must be provided to the Borrower for any application taken beginning January 1, 2010.
- The GFE must be provided to the Borrower within three business days of receipt of the application.
- Your initial GFE to the borrower will be the binding GFE. As the lender, we require all sections of the GFE to be complete, accurate and correspond to the loan terms and fees noted on our Loan Submission form and the Loan Application. Your Loan Submission package will be rejected by Mid-Island Mortgage as invalid if the GFE, Loan Submission form, Loan Application and applicable third party fee sheets (for example - title bill) are not in agreement.
- Changes to settlement charges may be limited and subject to a valid changed circumstance as defined by RESPA. Refer to Change Request section below.

## GFE Page 1 Sections:

- Important Dates
  - (1): The interest rate will float until we accept the Loan Submission and have issued an approval; select an interest rate date equal to the GFE date or "Not Available" or "Not Applicable".
  - (2): Select a date 10 business days from the GFE date.
  - (3): Select the lock period or "N/A" if not locked
  - (4): We require a loan to be locked at least 3 business days before Settlement.
- Summary of Loan
  - The loan amount, loan term, initial interest rate and monthly payment must be complete, accurate and match the Loan Application and Loan Submission form.
  - Refer to our rate sheet or Product Guideline for applicable product description.
  - Refer to our rate sheet for applicable prepayment penalty description.
- Escrow Account Information
  - Mid-Island Mortgage Corp. requires escrow accounts.

**GFE Page 1 Summary of Settlement Charges and Page 2 Sections A and B:** All costs associated with the loan transaction must be grouped and consolidated in the appropriate cost categories with a single estimated total for each category.

- Section A
  - (1) Origination Charge: Must include all Lender and Broker origination points (all Broker compensation including any YSP), processing fees (including Mid-Island Mortgage underwriting and doc prep fee noted on rate sheet) and administrative fees
  - (2) Credit or Charge for specific Interest Rate:
    - Box One: Do Not Use
    - Box Two: Check and complete with any applicable lender YSP amount and interest rate
    - Box Three: Check and complete with any applicable lender discount points
- Section B
  - (3) Required Services: Must include Mid-Island Mortgage appraisal, FHA Upfront Mortgage Insurance Premiums, VA Funding Fees, credit report and flood certification fees and any Broker ordered service fees
  - (4) Title services and lender's title insurance: Include all title and settlement agent service charges and lender title insurance fees
    - [NOTE: Mid-Island Mortgage will review and manage fees and fee changes in this section based on an assumption that the Broker selected the service provider and/or the Borrower used a company identified by the Broker UNLESS you provide evidence, such as a letter from the Borrower, acknowledging their selection of the service provider.]
    - NY Loans must reflect a minimum \$450 settlement fee
  - (5) Owner's title insurance and (6) Required Services: Complete as required. Owner's title insurance is required to be disclosed on line 5 for all purchase transactions.
    - [NOTE: Mid-Island Mortgage will review and manage fees and fee changes in this section based on an assumption that the Broker selected the service provider and/or the Borrower used a company identified by the Broker UNLESS you provide evidence, such as a letter from the Borrower, acknowledging their selection of the service provider.]
  - (7) Government recording charges and (8) Transfer Taxes:
    - Include all charges regardless of customary practice of payment in part or in full by Seller.

## Announcement: RESPA Guidelines/Policy

Effective: January 1, 2010

- NY loans must include all applicable mortgage taxes, mansion taxes and local county/town taxes.
- (9) Initial deposit for escrow account: Complete as required
- (10) Daily interest charges: Complete as required.
- (11) Homeowner's insurance: Complete as required.

### Change Request (Loan Terms and/or Fees)

We will be bound to fees disclosed on your initial GFE except in certain situations where there are 'changed circumstances' associated with the loan. In the event a changed circumstance occurs, we will re-disclose a revised GFE within 3 business days of evaluating the changed circumstance information. If a revised GFE is provided, any increase in charges will be limited to only those charges where the changed circumstance resulted in a higher charge.

- The definition of 'Changed Circumstances' includes:
  - Acts of God, war, or disaster
  - Information particular to the borrower or transaction relied on in providing the GFE is found to be inaccurate or changes after the GFE was provided, including information about the credit quality, the amount of the loan, the estimated value, or other information used to provide the GFE
  - New information regarding the borrower or transaction that was not relied upon for issuing the GFE
  - Float to lock
  - Expired lock
  - Other circumstances, including the need for flood insurance
- You must notify Mid-Island Mortgage promptly of any known changed circumstances, including borrower requested changes, which would result in an increased fee. You must not re-issue a GFE at any time after the initial GFE.
- You must use the new Mid-Island Mortgage Change Request form to notify us of any such change and include any and all applicable increased fees and charges. You are not required to provide decreases in fees on the Change Request form but if you do provide decreases in fees then those reduced fees will be disclosed on any revised GFE. Any revised GFE disclosed by Mid-Island Mortgage based on your Change Request will then become the binding GFE.
- An authorized representative of your company must
  - Acknowledge completion and accuracy of the form
  - Acknowledge and authorize Mid-Island Mortgage to deduct any dollar amount that exceeds any allowed tolerance at closing/settlement (based on a comparison of the GFE to the final HUD) from your brokerage / origination charges and credit it to the borrower
  - The Change Request form will not be considered complete without the signature
- You will be notified of the receipt and result of any Change Request.
  - In the event Mid-Island Mortgage determines that an increased fee is supported by the evidence of a changed circumstance, we will re-disclose a revised GFE. A copy of the re-disclosed GFE will be forwarded to you for your records.
  - Any re-disclosed revised GFE issued by Mid-Island Mortgage based on your Change Request will then become the binding GFE.

### Doc Request / Closing Confirmation

You must use the new Doc Request/Closing Confirmation (01/01/2010) for any loan application subject to the 2010 RESPA guidelines. To be considered complete the Doc Request/Closing Confirmation form must include the following:

- The preliminary HUD-1 issued by the closing/settlement agent complete with all specific settlement charges including but not limited to:
  - 1100 Title and Settlement Charges
  - 1200 Government Recording and Transfer Charges
  - 1300 Additional Settlement Charges
- Wire Instructions (if not already provided)
- Acknowledgment by authorized representative of your office
  - Authorizing Mid-Island Mortgage to deduct any dollar amount that exceeds any allowable tolerance at closing/settlement (based on a comparison of the GFE to the final HUD) from your brokerage / origination charges and credit it to the borrower.

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### HUD-1 Settlement Statement

We will provide the closing/settlement agent the Good Faith Estimate charges to be itemized in the Comparison of Good Faith Estimate (GFE) and HUD-1 Charges section on page 3 of the 2010 HUD-1 Settlement Statement. The dollar amount that exceeds any allowable tolerance (and that is deemed to be no fault of Mid-Island Mortgage) **will be deducted from your brokerage / origination charges and credited to the borrower at closing.**