



NMLS #1820

Select Partner Compliance Overview

Select Partner = Lender

Benefit/Difference – The loan closes in the Select Partners name as the “lender” allowing for several compliance laws to be interpreted different than a wholesale broker.

- LO Comp,
- Early Disclosures,
- GFE’s,
- MDIA and
- AIR

As the Lender, the Select Partner will enjoy the benefits of

- flexibility,
- save time,
- control in the transaction
- name recognition

LO Compensation

Benefit/Difference – With the Select Partner acting as the lender in the transaction, they are not subject to the same LO Compensation rules as a wholesale mortgage broker.

- SP will not be required to select a LO Compensation Election with CMG
- The SP will disclose the rate on the GFE as a lender instead of a broker
- The SP can issue a lender credit on the HUD-1 at time of closing

Early Disclosures

Benefit/Difference – As the lender, the Select Partner is responsible for all Early Disclosures

- CMG is not required to disclose since we are not the lender.
- CMG will audit the Early Disclosures but will not re-disclose
- MLO (Mortgage Loan Origination) Disclosure is NOT applicable on a SP transaction
- Anti-Steering Disclosure is NOT required on a SP transaction

Good Faith Estimate

Benefit/Difference – As mentioned, the Select Partner is not subject to the same LO Compensation rules.

- The Select Partner’s corporate policy will determine the way the GFE is disclosed as it relates to the
 - Important Dates and
 - Block 1 & 2 in the Adjusted Origination Charges
- CMG will Audit the Select Partner’s GFE
 - If errors are noted, the SP will be notified but GFE does not have to be rejected.
 - The SP will choose to:
 - acknowledge their intent to “cure” tolerance issues at closing, or
 - Cancel the loan and resubmit a new loan file

Good Faith Estimate Sample

Important Dates

OMB Approval No. 2502-0265



Good Faith Estimate (GFE)

Name of Originator The Select Partner, Inc.	Borrower John Purchaser
Originator Address 321 Giveme A Loan Road Oakland, CA 94601	Property Address 321 Ima Buyer Street San Ramon, CA 94583
Originator Phone Number 333-222-1111	Date of GFE 03/01/2013
Originator Email loanofficer@selectpartner.com	

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

Important dates

1. The interest rate for this GFE is available through **04/01/2013**. After this time, the interest rate, some of your loan Origination Charges, and the monthly payment shown below can change until you lock your interest rate.
2. This estimate for all other settlement charges is available through **03/15/2013**
3. After you lock your interest rate, you must go to settlement within **30** days (your rate lock period) to receive the locked interest rate.
4. You must lock the interest rate at least **N/A** days before settlement.

Good Faith Estimate Sample

Your Adjusted Origination Charges – Block 1

Understanding
your estimated
settlement
charges

Your Adjusted Origination Charges	
1. Our origination charge This charge is for getting this loan for you.	\$3,181.00
2. Your credit or charge (points) for the specific interest rate chosen	

- Broker Compensation is not disclosed
- Select Partner may charge origination points on a loan by loan basis
- Select Partner may choose to disclose origination fees
- Select Partner is not required to disclose CMG's fees

Good Faith Estimate Sample Your Adjusted Origination Charges – Block 2

2. **Your credit or charge (points) for the specific interest rate chosen**

- The credit or charge for the interest rate of % is included in "Our origination charge." (See item 1 above.)
- You receive a credit of \$ for this interest rate of %.
This credit **reduces** your settlement charges.
- You pay a charge of \$ for this interest rate of %.
This charge (points) **increases** your total settlement charges.
The tradeoff table on page 3 shows that you can change your total settlement charges by choosing a different interest rate for this loan.

- Option 1 – SP only discloses the rate
- Option 2 – Never used – YSP is NOT disclosed
- Option 3 - SP may charge discount points

State and Federal High Cost Test

Benefit/Difference – None

- Each Select Partner loan must meet all State and Federal High Cost Tests
- CMG will run all loans against high cost rules at time of submission. Any violations or concerns will be communicated to the SP at this time.
- CMG will run all loans through the high cost tests again at the time of closing (if CMG is preparing the closing documents) or time of purchase (if the SP drew their own docs).

MDIA

Benefit/Difference – The MDIA waiting periods are driven from the Select Partner’s Early Disclosures.

- 3 day waiting period for ordering the appraisal
- 7 day waiting period for closing.
- NOTE: Financial Institutions open for business on a Saturday may count Saturday as a business day.

AIR Policy

Benefit/Difference – AIR is a compliance law requiring the separation of interested parties and their influence on the appraiser.

- The SP may order an appraisal from their own appraisal panel
- The SP will need to upload the color version of the appraisal through EDM
 - The appraisal must be accompanied by the AIR certification
- Appraisal corrections will be listed as underwriting conditions
 - The Select Partner will be responsible for requesting the corrections and then re-submitting the updated appraisal.
- Final Appraisal Requirement:
 - Submission Summary Report (SSR)
 - SP runs appraisal through UCDP
 - UCDP runs a UAD Compliance Check
 - All appraisals successfully uploaded to the UCDP receive a:
 - ✓ SSR Report with a unique appraisal Document File Identifier