

BULLETIN #2018-03

TO: Distribution

DATE: January 25, 2018

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- HMDA Requirements- Universal Loan Identifier (ULI) & Expanded Demographic information
- Disaster Update: FHA Issue Waiver- California Counties

HMDA REQUIREMENTS: Universal Loan Identifier (ULI)

Summary: Per HMDA, loans originated on and after 1/1/2018 will need to have a Universal Loan Identifier (ULI) assigned to each loan and reported. The ULI may contain up to 45 alphanumeric characters and must be constructed as follows:

- Begin with the lender's legal entity identifier (LEI), which is a unique 20-digit alphanumeric identifier,
- Follow the LEI with up to 23 additional characters to identify the loan (Loan Number),
- End with a two-character check digit.

The ULI is unique to each reported loan not only with the originating lender, but also across all institutions, which will allow tracking of loans between entities. If the loan was originated on or after 1/1/2018, the Correspondent seller is responsible for issuing the ULI and providing that ULI to CMG for validation.

Action to Take: ULI must be provided at or before delivery in order to **move through** CMG Registration

- **Mandatory/Bulk Execution:**
 - Please begin providing the ULI on 2018 originated loans via your bid tape
- **Best Efforts Execution:**
 - Loans delivered through WebTrac portal: Please utilize our updated loan submission form found below that asks for the ULI
 - Loans delivered through CLEAR (New portal): ULI will need to be entered in the portal at time of registration or 3.2 file upload

Updated CMG Loan Submission Form: <http://docs.cmgfi.com/correspondent/corr-loan-submission-form.pdf>

Effective Date: *Effective immediately on loans originated 1/1/2018 and after.*

External Resources:

- CFPB HMDA Site: <https://www.consumerfinance.gov/data-research/hmda/>
- CFPB HMDA Rule Implementation Site: <https://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/hmda-implementation/>
- CFPB HMDA Check Digit Tool for ULI: <https://cfpb.github.io/hmda-platform-tools/check-digit/>

DISASSTER UPDATE: FHA ISSUES WAIVER- CALIFORNIA COUNTIES

Summary: FEMA has not yet declared an “End Date” for the California Wildfires, Flooding, Mudflows, And Debris Flows (DR-4353). Four counties have individual assistance declared:

Los Angeles, San Diego, Santa Barbara, Ventura

The Federal Housing Administration (FHA) issued a [waiver](#) for four additional counties — Los Angeles, San Diego, Santa Barbara, and Ventura — in California impacted by wildfires, allowing damage inspections to be conducted beginning January 18, 2018.

This waiver is in addition to the two previous waivers issued by FHA on October 24, 2017, and November 2, 2017, respectively, of its policy on the timeframe for completing the inspection of properties prior to closing, or submitting the mortgage for FHA insurance endorsement in the Presidentially-Declared Major Disaster Areas (PDMDAs) in certain counties in the state of California impacted by wildfires.

- FHA’s current policy requires that a damage inspection be performed following the close of the Incident Period as defined by the Federal Emergency Management Agency (FEMA).
- FHA believes that the situations in certain counties in California have stabilized to the extent that further damage to the properties appear unlikely, despite FEMA not having closed its Incident Period for the PDMDAs in these four areas. However, mortgagees should continue to monitor FEMA’s website to ascertain the latest information on these PDMDAs as additional municipalities or counties could be added to them until the Incident Periods have closed.
- These waivers do not affect mortgagees’ obligations to exercise prudent lending practices and ensure that mortgages they submit for endorsement fully comply with FHA’s property eligibility requirements, as well as any property condition requirements related to claims processing.

Action to Take: FHA loans in the above four counties are now eligible for a damage inspection.

Links:

- Designated Areas: Disaster 4353 - <https://www.fema.gov/disaster/4353/designated-areas> □
- The California “Wildfires” waivers are posted at: https://www.hud.gov/sites/dfiles/OCHCO/documents/sf_hb40001waiverCA2.pdf

***Please contact your Correspondent National Sales Manager
or your Correspondent Liaison with any questions.***

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