

BULLETIN # 2018-19

TO: Distribution

DATE: June 13, 2018

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- Compliance: Updated TRID Policy
- VA Refinances- Reminders
- Fannie Mae Manufactured Home Update

COMPLIANCE: UPDATED TRID POLICY

On April 26th, the CFPB announced an update to the TRID Rule which essentially closed the “black hole.” Under the original TRID Rule, lenders were generally prohibited from resetting fee tolerances with a CD that was provided more than 4 business days prior to closing. The Rule provided no clear mechanism for lenders to reset tolerances with a revised CD outside the four day rule, nor could lenders provide a revised LE after having issued a CD.

The new final rule eliminates the timing restraint, so the CD can reset tolerances without regard to when the disclosures are provided relative to closing. The following requirements remain unchanged:

- Revised disclosures must still be provided within three business days of receiving information sufficient to establish a changed circumstance.
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- A revised LE cannot be provided on or after the date the initial CD is provided.
- The initial CD must be received at least three business days prior to closing.
- If the APR becomes inaccurate, the loan product is changed or a prepayment penalty is added, the revised CD must be received at least three business days prior to closing.

Although the restrictions on disclosing changed circumstances on a revised CD is changing, the CD is still intended to reflect the final loan terms and closing costs. As such, CMG Financial recommends that sellers require loan approval, rate lock, final invoices, etc. prior to issuing the initial CD, however, sellers may determine their own requirements.

This change was effective June 1st and is not retroactive. All CDs issued prior to June 1st must follow the prior TRID Rule and CMG Financial policy, which restricts the type of changed circumstances

permitted. CDs issued on or after June 1st can follow the new TRID Rule

VA REFINANCES-REMINDERS

Summary: As a reminder, the new VA/GNMA seasoning requirements must be met for all VA Refinance transactions. The note date of the refinance loan must be on or after the later of:

- the date that is 210 days after the date on which the first monthly payment was made on the mortgage being refinanced, and
- the date on which 6 full monthly payments have been made on the mortgage being refinanced.

Effective Date: *Immediate. Although VA requirements specify by application date, GNMA requirements are effective immediately.*

Links: [VA Circular 26-18-13](#), [GNMA APM 18-04](#)

FANNIE MAE MANUFACTURED HOME UPDATES

Summary: Currently, the Selling Guide requires that when a manufactured home has an addition or a structural modification and is not located in a state with an agency responsible for inspecting these modifications, then the property must be inspected by a licensed professional engineer. The engineer must certify that the addition or structural change was completed in accordance with the HUD Manufactured Home Construction Safety Standards.

With this update, if the state does not have this requirement, then the structural modification must be inspected and the structural modifications be deemed structurally sound by a third party who is regulated by the state and is qualified to make the determination. Certification of compliance with HUD Manufactured Home Construction and Safety Standards is no longer required.

Effective Date: *Immediately*

Please contact your Correspondent National Sales Manager

or your Correspondent Liaison with any questions.



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