



TO: Distribution

DATE: November 15, 2019

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- New Taxpayer First Act Consent Form

NEW TAXPAYER FIRST ACT CONSENT FORM

Summary: As part of the Taxpayer First Act that was passed into law earlier this year on July 1, 2019, a lender who obtains a borrower's tax transcript during the origination process must obtain the borrower's consent to share that information with any other party, including an investor to whom the loan is sold. The part of the law requiring the specific consent of the borrower to share their tax information becomes effective December 28, 2019.

- The IRS has indicated they will not provide any prescribed consent language to which a borrower must agree to allow sharing of their information. Accordingly, it is the responsibility of each lender to ensure sufficient consent is obtained to share tax information.
- On November 6, 2019, FNMA and FHLMC posted a notice to their websites indicating their requirement that any loan that is sold to or securitized by FNMA or FHLMC on or after December 28, 2019, must have obtained the borrower's consent to share their tax information with FNMA or FHLMC as appropriate. This would require lenders to obtain consent for loans that are closed before the December 28, 2019, effective date of the provision of the Taxpayer First Act, or to obtain that consent after a loan has closed.

Lenders will need to work with their doc vendors and obtain the consent. Due to investor delivery considerations, this includes loans that are closed prior to the December 28, 2019 deadline.

Effective Date: *In order to be in compliance based on delivery date, all loans that are purchased on and after Wednesday, November 20th, will require the new consent form.*

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