

# NDL2 & NDL3 Correspondent Loan Delivery & Required Documentation Standards

<p>Loan Delivery</p>	<ul style="list-style-type: none"> <li>• Loan is clear to close only upon final approval by GHMC underwriter as evidenced by loan status of "Clear to Close". Loans closed prior to, or without, final underwriter approval may be deemed ineligible for purchase by GHMC.             <ul style="list-style-type: none"> <li>◦ Any remaining conditions reflected on the underwriting approval indicated as "At Closing" or "Funding" must be submitted with the closed loan package to GHMC. Failure to do so will result in funding suspense and delay of loan purchase.</li> </ul> </li> <li>• NDL2/NDL3 correspondents should upload their complete closed loan package into GConnect via the GHMC website at <a href="http://ghmc.com">ghmc.com</a> as a condition on the Funding tab.</li> <li>• Original Note should be delivered to:             <p style="text-align: center;">Guaranty Home Mortgage Corporation Attn: Note Delivery 10 Lea Ave Suite 800 Nashville, TN 37210</p> </li> <li>• NDL2/NDL3 correspondent lenders must deliver the purchasable closed loan package to GHMC by the earlier of the expiration date of lock or within five business days following closing (Monday through Friday considered business days for this purpose).</li> <li>• Loans delivered late based on guidelines above will be subject to worse case pricing based on the date closed loan file was received or a minimum of .125% late delivery fee.</li> <li>• The GHMC NDL2/NDL3 Correspondent Loan Delivery Transmittal should be used as a general guideline for required documentation.</li> <li>• In order to expedite file review, documents should be uploaded in the order referenced on the GHMC NDL2/NDL3 Correspondent Loan Delivery Transmittal.</li> <li>• Refinance loan transactions will not be recognized as delivered for purposes of satisfying the lock expiration date until the rescission period is complete.</li> </ul>
<p>Review of Closed Loan Package</p>	<ul style="list-style-type: none"> <li>• In order to expedite the loan purchase, all required forms and documentation must be accurately completed and executed according to, but not limited to, the Required Documentation section of this guide.</li> <li>• If audit of file reveals no deficiencies an email notification will be sent to the NDL2/NDL3 correspondent's designated contact that the loan has been cleared for purchase.</li> <li>• If audit of file reveals deficiencies, loan will be placed in suspense status (WLP—Suspended) and a suspense notification will be emailed to the NDL2/NDL3 correspondent's designated contact.</li> <li>• Specific funding conditions will be posted in the eDoc Manager under Findings—Whole Loan Purchase document.</li> <li>• Amortization Dates             <ul style="list-style-type: none"> <li>◦ See Addendum to Guide for most up to date amortization dates.</li> </ul> </li> </ul>
<p>Suspended Loans</p>	<ul style="list-style-type: none"> <li>• Conditions required to clear funding deficiencies should be uploaded into GConnect via the GHMC website at <a href="http://ghmc.com">ghmc.com</a> as a condition on the Funding tab.</li> <li>• NDL2/NDL3 correspondent will be given seven business days to cure any funding deficiencies, regardless of rate expiration date.</li> <li>• Failure to cure funding deficiencies within 7 business days will result in a .02% charge per calendar day until the loan is cleared for purchase.</li> </ul>



- RESPA cure and/or other events in connection with the settlement of the transaction which result in a change in the amount already paid by the consumer will require a corrected CD to be sent to the consumer within 30 days of closing.
- If non-numerical / clerical errors are found, a corrected CD must be sent to the consumer within 60 days of closing.
- Closing Disclosure Discrepancies will require the following documentation / actions from NDL2/NDL3 correspondent:
  - Letter of Explanation - A letter of explanation on company letterhead, and signed by an employee of the lender, must be provided to all applicable consumers. A copy of the letter must be submitted to GHMC prior to funding.
  - Copy of Closing Disclosure - A copy of the corrected post-consummation CD, must be provided to all applicable consumers, and to GHMC. Amended CD's provided post-consummation must reflect Date Issued as date amended CD is provided to consumer(s).
  - Copy of Check - If a refund is required, a copy of the check(s) provided to all applicable consumers must be submitted GHMC. Additionally, proof of delivery must be in the form of trackable mail.
  - Proof of Delivery - Proof of delivery (e.g., mailing confirmation, FedEx delivery confirmation, UPS delivery confirmation, etc.) must be submitted to GHMC showing the date the material disclosures were delivered to the consumer(s). Any electronic disclosures must adhere to E-Sign requirements.
  - Reopen Rescission - For Loans that are subject to a right of rescission, rescission must be reopened when material disclosures are corrected. Refer to Right of Rescission Discrepancy guidance below.
- Right of Rescission Discrepancies will require the following documentation / actions from NDL2/NDL3 correspondent:
  - Letter of Explanation - When reopening rescission, a letter of explanation on company letterhead, and signed by an employee of the lender, must be provided to all applicable consumers entitled to rescind the transaction, clearly stating the reason rescission is being reopened. A copy of the letter must be submitted to GHMC.
  - Copy of Closing Disclosure - A copy of the material disclosures provided at Closing, or any corrected material disclosures, must be provided to all consumers who have the right to rescind the transaction, and to GHMC.
  - Reopen Rescission - A copy of the new Notice of Right to Cancel must be provided to all consumers who have the right to rescind the transaction, and to GHMC.
  - Evidence of Receipt - Evidence of receipt (e.g., copy of the mailing confirmation showing proof of delivery, signed and dated NRTC, etc.) must be provided to GHMC showing the date of the new NRTC, and that the material disclosures were received by the consumer(s).
  - Lender Attestation - A lender attestation dated after the rescission period has expired must be submitted to GHMC attesting that rescission was reopened and no notice was received canceling the transaction. The attestation must be signed by a vice president or higher, or contain language that the individual signing the attestation has the authority to sign on behalf of the company.
- Any expense involved in correcting and / or re-recording documents is the responsibility of the NDL2/NDL3 correspondent lender.

### Pay History Requirements

- Loans not cleared for purchase within 15 calendar days of suspense notice will be returned to NDL2/NDL3 correspondent and GHMC will not be obligated to purchase.
- Guaranty Home Mortgage Corporation requires a current pay history on all loans when any of the following occurs:
  - One or more payments have come due at the time of loan purchase.
  - Disbursements have been made from the escrow account prior to loan purchase.
  - A principal reduction has been applied prior to loan purchase.
  - Loan is amortized at loan purchase – pay history will be required for payment(s) received by correspondent lender after loan purchase.
- Pay history must indicate the date upon which payments were made, the amount of the payments, any principal reductions applied, any escrow disbursements made, the current escrow balance and the current principal balance.
- If any loan payments have been 30 or more days delinquent, the loan is ineligible for purchase.

### Laws and Regulations

- GHMC relies on the NDL2/NDL3 correspondent to strictly comply with all state and federal laws and regulations as well as Agency and GHMC guidelines including, but not limited to, Fannie Mae (FNMA), Freddie Mac (FHLMC), Ginnie Mae (GNMA), Real Estate Settlement Procedures Act (RESPA),



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Truth in Lending Act (ECOA), the Mortgage Disclosure Improvement Act (MDIA), the Home Mortgage Disclosure Act (HMDA), Qualified Mortgage (QM) requirements, and TILA-RESPA Integrated Disclosure regulations. Non-compliance may result in a loan being suspended for deficiencies, a loan being ineligible for purchase, or NDL2/NDL3 correspondent repurchase of a loan which has already been purchased by GHMC.

- Any loan that meets or exceeds the Section 32 fee and / or APR thresholds, regardless of occupancy type or transaction type, is ineligible for sale to GHMC.

#### Seller Documents

- Seller(s) must sign all applicable seller documents on the same day as borrower (document/closing date).
  - If for any reason the seller is not able to be present to sign on the day of closing, seller documents may be signed prior to the closing date.
  - GHMC will not accept seller documents, including warranty deed, dated after the closing date under any circumstances.

## Required Documentation

Items listed below are provided as a guideline for loan documentation required when submitting a loan to GHMC for purchase. This list is not intended to provide a complete list of all documentation that may be required to properly document a loan. All loans submitted for purchase should comply with state and federal law and regulations, VA Lender Handbook, HUD Handbook, Ginnie Mae Selling / Servicing Guide, Fannie Mae / Freddie Mac Selling / Servicing Guide and all GHMC policies and procedures.

#### Original Note

- All notes must conform to state and agency guidelines and the most current version of the document must be used. The original note with wire instructions must be submitted to GHMC prior to loan purchase. Endorsement of note must read as follows:

Pay to the Order of  
 Guaranty Home Mortgage Corporation, Without Recourse  
 NDL2/NDL3 correspondents Typed Name  
 By: (Authorized Signature)  
 Typed Name and Title of Authorized Signer

- Note must be endorsed by person whose name appears on lender's Corporate Resolution as an authorized signor.
- The original note must include and / or comply with the following:
  - POA: Endorsements that utilize a power of attorney require a copy of the POA to be included with the loan file.
  - Allonges to the note should only be used in cases where there is insufficient space on the note for the full endorsement. If an allonge is used it must contain: Borrower(s) name(s) exactly as it appears on the note, Property Address, Loan Amount, Note Date and Endorsement. An allonge to the note being used to for the purpose of correcting an existing endorsement requires a letter of authorization to void the incorrect endorsement.
  - If the note has a designated place for the borrower(s) to initial at the bottom of each page GHMC will require the borrower(s) to initial each page.
  - Corrections: Corrective covering, white out or tape on documents is not permitted. All corrections must be initialed by each borrower and / or applicable party.
  - Whole dollar loan amount: Loan amounts with cents disclosed are not acceptable.
  - FHA / VA case numbers: The case number must be disclosed as a complete and accurate fixed-length number as applicable by loan type.
  - The MIN # must be reflected on page 1 of the Note.
  - Acknowledgements by notary: If required by state law or security instrument, the original note is required to be acknowledged by a notary public.
- GHMC will require the Name and NMLSR ID of the Loan Originating Company and the Loan Originator to be disclosed on the signature page of the Note and Security Instrument at time of closing. This requirement is effective on loans with applications dated on or after January 10, 2014 (or for FHA, loans with case numbers assigned on or after January 10, 2014).



Security Instrument

- A certified true copy of the executed state specific MERS security instrument must be submitted with the closed loan file.
- Any person whose signature is required to perfect a lien against the property must sign the security instrument. This includes any person with ownership interest in the security property, even if the person is not on the loan.
- Security instrument must include the appropriate MERS verbiage, the MIN number, and the MERS telephone number prior to recording.
- Security instrument must be complete in its entirety, executed and notarized on the closing date.
- Full and accurate property legal description must be incorporated into security instrument.
- When borrower initials are required / present, all pages of the security instrument must be consistently initialed by all parties.
- Corrections: Corrective covering, white out or tape on documents is not permitted. All corrections must be initialed by each borrower and / or applicable party.
- FHA / VA case numbers must be evidenced on all security instruments and applicable riders for all FHA / VA loans. Case number must be disclosed as a complete and accurate fixed-length number as applicable by loan type, including ADP code on FHA loans.
- GHMC will require the Name and NMLSR ID of the Loan Originating Company and the Loan Originator to be disclosed on the signature page of the Note and Security Instrument at time of closing. This requirement is effective on loans with applications dated on or after January 10, 2014 (or for FHA, loans with case numbers assigned on or after January 10, 2014).

Riders

- Any applicable rider must be fully executed and attached to the security instrument when the closed loan file is delivered.
- Examples of riders that must be attached to the security instrument:
  - Condo Rider: *Required on all condominiums*
  - 1–4 Family Rider: *Required on all investment and 2–4 unit properties*
  - PUD Rider: *Required on all planned unit developments and/or properties with mandatory HOA dues*
  - Second Home Rider: *Required on all second homes*
  - ARM Rider: *Required on all ARM loans*
  - Rural Development Occupancy Rider: *Required on all RD/USDA loans to conform with USDA occupancy requirements*
  - *Renewal and Extension Rider: Required on all owner-occupied TX refinance loans*
  - Closing Attorney Affidavit and Waive of Borrower's Rights: *Required on all GA loans*

MERS Registration

- All loans submitted to GHMC must be registered with MERS using the 18–digit MIN assigned to each loan on the MERS Security Instrument. All registration fields must be completed in their entirety and must be accurate. All names, property address, etc. must exactly match information as it appears on the Note.
- NDL2/NDL3 correspondents should be named as Originating Agent, Investor and Servicer at the time of registration.
- Registration should take place within 7 calendar days of note date or funding date, as applicable for refinance transactions.
- Evidence of MERS registration should be submitted to GHMC with closed loan package.
- Upon purchase of the loan by GHMC, the NDL2/NDL3 correspondent lender must execute a transfer of servicing rights and transfer of beneficial rights (TOS/TOB batch) in the MERS system naming GHMC as Investor and Servicer (GHMC MERS ID is 1003949). Transfer should take place within 48 hours of loan purchase.
- If needed, MERS Help Desk phone number is (888) 680-6377

Upfront Mortgage Insurance Premiums

- NDL2/NDL3 correspondent will be responsible for remitting the upfront mortgage insurance premium for both FHA (FHA UFMIP) and VA (VAFF) unless otherwise indicated by the Correspondent on the Correspondent Application which will require execution of the Fee Remittance Addendum.
  - Evidence of payment of the applicable mortgage insurance premium will be required to be provided to GHMC prior to purchase of the loan.



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	<ul style="list-style-type: none"> <li>• NDL2/NDL3 correspondent will not be responsible for remitting any single premium upfront PMI premiums on Conventional loans or RD Loan Note Guarantee Fees on USDA loans.             <ul style="list-style-type: none"> <li>◦ Lender Paid PMI (LPMI) will be built in to loan pricing and GHMC will remit upon loan purchase</li> <li>◦ Borrower paid upfront PMI will be netted from funding upon purchase of the loan and GHMC will remit</li> <li>◦ RD fee will be netted from funding upon purchase of the loan and GHMC will remit</li> </ul> </li> <li>* Be sure to use PMI factors from the PMI Cert obtained by GHMC for closing. Do not close based on a quote.</li> </ul>
Power of Attorney	<ul style="list-style-type: none"> <li>• Refer to <i>Power of Attorney Requirements</i> guide for requirements when a POA is or may be utilized.</li> </ul>
Title Commitment	<ul style="list-style-type: none"> <li>• A valid signed title commitment is required on all loans.</li> <li>• Title commitment must reflect effective date within 60 days of note date.</li> <li>• A minimum of 12 months chain of title is required.</li> <li>• Must evidence lender coverage to be provided in amount at least equal to the total loan amount.</li> <li>• Title commitment cannot contain any unacceptable title exceptions.</li> <li>• GHMC requires a Specific Insured Closing Letter for every loan submitted to GHMC for purchase.</li> <li>• Please refer to the <i>Title Insurance Requirements</i> guide for additional guidance regarding Title Commitment requirements.</li> </ul>
Signatures/Signature Affidavit	<ul style="list-style-type: none"> <li>• The borrower(s) must sign documents consistently and exactly as their name appears on all mortgage loan documentation. A name affidavit executed by the borrower(s) is required on all loans due to any name inconsistencies or unclear or indecipherable signatures within the closed loan file.</li> <li>• VA Loans: If the borrower's name as it appears on the VA certificate of eligibility differs from the borrower's legal name on closing documents, the name variance must be reflected on the name/ signature affidavit at closing.</li> </ul>
Closing Disclosure (CD)	<ul style="list-style-type: none"> <li>• NDL2/NDL3 correspondent is responsible for ensuring that the consumer received the Closing Disclosure no later than three business days prior to consummation of the loan.             <ul style="list-style-type: none"> <li>◦ For purposes of the CD, a business day is all calendar days with the exception of Sundays and all federal holidays.</li> <li>◦ GHMC will use the date the mortgage note is signed as the consummation date.</li> </ul> </li> <li>• Acceptable delivery methods of the initial CD are:             <ul style="list-style-type: none"> <li>◦ In person—signed and dated copy of the disclosure is required</li> <li>◦ E-mail—must be e-sign compliant, and e-sign compliance acknowledgement from e-sign vendor, evidence of borrower consent and an audit trail must be received by NDL2/NDL3 correspondent and delivered to GHMC with the closed loan package. NOTE: If e-mail delivery was not in compliance with the E-Sign Act, all timing requirements default to First-Class Mail.</li> <li>◦ First class mail—CD is assumed to be / considered delivered on the fourth business day. Loan cannot close until the third business day after the CD is considered delivered.</li> </ul> </li> <li>• Although waiving of some waiting periods are allowed within the TRID requirements, loans with waiting periods waived will <u>not</u> be eligible for purchase by GHMC.</li> <li>• Certified copies of the initial Closing Disclosure, sufficient evidence of delivery to consumer(s) within TRID timing requirements, all revised Closing Disclosures, and the final CD are required to be delivered to GHMC in the closed loan file.</li> <li>• The CD must comply with existing and subsequently enacted RESPA and TRID requirements and guidelines and must accurately reflect all of the financial aspects of the transaction.</li> <li>• Date Issued on the CD should be the date the CD is provided to the consumer(s). For example, on the final CD this should be the closing date / date borrower(s) execute the CD. For any subsequent post-consummation CD's this should be the date the amended CD is provided to the consumer(s).</li> <li>• NDL2/NDL3 correspondent must use the version of the CD that is applicable to the loan transaction.</li> </ul>



- Fees and charges must comply with all Federal, State, Agency and predatory lending rules.
- Payoffs reflected on the CD must be consistent with borrower's title commitment and / or credit report. Any non-lien payoffs, including seller disbursements, exceeding \$5,000.00 will require written explanation and/or documentation to determine if acceptable.
- Interest credit is allowed on loans which fund by the 5th calendar day of the month preceding the first payment date.
- Each escrow item (i.e. county tax, city tax, hazard insurance, etc.) should be listed on its respective line in section G of the CD. The aggregate adjustment (amount) must be equal to zero or a negative number.
- Third party fees may not be "marked up"
- All fees must reflect payee information, including transfer taxes.
- Prepays (Taxes and Insurance) must reflect the applicable time period (number of months) covered by the amount to be paid by the consumer.
- The parenthetical description "(Optional)" shall appear at the end of the label for costs designated borrower-paid at or before closing for any premiums paid for separate insurance, warranty, guarantee or event-coverage products in the "Other" section on the consumer's CD. This includes items such as Owners Title Insurance and Home Warranty.
- The Partial Payment section of the disclosure must be completed. GHMC does not accept partial payments.
- The contact information table located on page 5 of the CD must be completed in its entirety.
- A new CD is required along with a new three day waiting period if the APR increases by more than .125 (same as MDIA requirements). If the CD changes but it does not change the APR by more than .125, a revised CD can be provided to the borrower at closing.
- The settlement agent is required to provide the seller with the CD no later than the day of consummation. The creditor must retain a copy of the seller's CD and include with the file submitted to GHMC.
- ALL seller paid loan costs and other costs are now required to be disclosed on page 2 of the consumers closing disclosure, even when a separate CD is provided to the property seller. *(This requirement is based on updated versions of the TILA RESPA Integrated Small Entity Compliance Guide and the Guide to the LE and CD Forms. See GHMC Bulletin 01.24.17)*
  - Seller responsible charges should be listed in section H / Other section of the consumer's CD.
  - This includes seller title fees, real estate commissions and other non-commission real estate brokerage or agent charges for services to the seller.
  - Charges should be itemized separately with a description of the service and identification of the person ultimately receiving the payment.
  - Seller's title fees listed in this section should **not** reflect "Title –" preceding the fee name.
  - All seller charges disclosed on the consumer's CD should be consistent with fee details on the seller's CD. Otherwise, a post-consummation amended CD to consumer may be required.
  - *Any buyer charges paid by seller that are being itemized in the seller column of page 2 should still be disclosed in their respective sections of the CD.*
- For rescindable loans, lender must ensure that all consumers with the right to rescind are provided proper disclosures as required under the regulation. Each consumer with a right to rescind must be provided a separate initial and final CD. The CD must be signed and dated by each consumer required to execute.
- Cash back to borrower at closing must not exceed applicable program guidelines.
  - If a borrower is receiving cash back at closing for POC items, we will require evidence in file that the borrower paid for those services from their own funds (not permitted if paid with credit card).
- Principal curtailments may be permitted for certain loan types, subject to program parameters. Principal reductions will not be permitted for excess seller contributions.
  - Conventional and Rural Development loans – must comply with FNMA guidelines regarding principal curtailments at closing.
  - Government (FHA and VA) loans – Principal curtailments must comply with appropriate agency and product guidelines.
  - A loan history will be required to document any principal curtailment applied on loan prior to funding.





- The Closing Disclosure must be executed by all parties. GHMC requires the CD provided at closing to be signed even if no changes occurred.
- Lender must retain copies of the CD and all related documents to this disclosure for five years after closing.
- VA Loans – It is imperative that any non-allowable fees in excess of the threshold established by VA guidelines that are being paid by a third party are itemized in the appropriate column on the consumer’s CD. Over charges in the borrower’s column on the CD will result in required refund to borrower, regardless of any lump sum seller or lender credit shown on the CD. A separate itemization of credits for costs will not be acceptable.

UCD (Uniform Closing Dataset) Requirements (Effective for loans with note dates on or after September 25, 2017)

*To support the implementation of new Fannie Mae and Freddie Mac Uniform Closing Dataset (UCD) requirements, which are effective for loans with Note dates on or after September 25, 2017, GHMC will require the following:*

- For all conventional transactions, NDL2/NDL3 correspondents must submit their UCD files to both GSE’s and provide evidence of a successful submission via the UCD findings reports in the loan file delivered to GHMC as follows:
  - A Fannie Mae UCD Findings Report reflecting “Successful” with no fatal edit messages. NDL2/NDL3 correspondents must transfer/assign the UCD file to GHMC prior to loan purchase. Information on establishing relationships and transferring files can be obtained on Fannie Mae’s website as listed below.
  - A Freddie Mac Loan Closing Advisor (LCA) Feedback Certificate reflecting “Satisfied” with no Red (critical) messages. NDL2/NDL3 correspondents must transfer/assign the UCD file to GHMC prior to loan purchase.
- All pages of both the UCD Findings Report and the LCA Feedback Certificate are required with all edit messages.
- The UCD Findings Report, LCA Feedback Certificate, and UCD submission must reflect the most recent borrower Closing Disclosure (CD) data.
- The latest CD, matching the UCD file submitted to the GSE(s), must be included in the Closed Loan Package delivered to GHMC.
- Casefile ID / AUS Type on reports must correspond to final AUS findings in file.

Resources:

- [Fannie Mae: Uniform Dataset \(UCD\) Webpage](#)
- [Freddie Mac: Uniform Closing Dataset \(UCD\) New and Implementation Resources Webpage](#)
- [UCD Implementation Update, June 6, 2017](#)
- [Uniform Closing Dataset \(UCD\) FAQs](#)

Initial Escrow Account Disclosure

- An escrow / impound account must be established for all loans sold to GHMC. The escrow / impound account must conform to the RESPA Escrow Accounting Procedures. The account must be established under the aggregate method.
- The escrow moneys collected at closing, when added to the monthly escrow payment collected from the borrowers, must be in an amount sufficient to pay property taxes, hazard insurance premiums, flood insurance premiums, MI premiums and any other premiums. \*\*Please note, HO6 policies should not be escrowed when the Insurance Master Policy includes “all-in” coverage\*\*
- In escrow calculations, GHMC requires a “2” month cushion for all escrow items (except PMI and MIP) on all loan types, unless prohibited by state law. A “2” month cushion is also required for a USDA annual RD fee.
- The beginning balance on the IEADS must equal the net Initial Escrow Payment at Closing shown on the Closing Disclosure.
- The Initial Escrow Account Disclosure must be executed by borrower(s) at closing.
- For new construction loans, estimated taxes should be based on the value of the improved property.
- Items that are not mandatory but are purchased by the borrower on an elective basis should not be included in the escrow account / analysis.
- NDL2/NDL3 correspondent lender will be responsible for taxes, property insurance and MI premiums that are due within 30 days of the purchase date.



	<ul style="list-style-type: none"> <li>• When disbursing payments from escrows the NDL2/NDL3 correspondent must provide a current pay history meeting the guidelines set forth in <i>Pay History Requirements</i> section above.</li> <li>• If property taxes have been paid from escrows, NDL2/NDL3 correspondent must provide an updated Tax Information Sheet.</li> </ul>
<p>Escrow Waiver (if applicable)</p>	<ul style="list-style-type: none"> <li>• The requirement for an escrow account / impound account for the payment of property taxes and property insurance (not including flood insurance) may be waived if all of the following conditions are met. GHMC does not allow for split waivers.             <ul style="list-style-type: none"> <li>◦ Escrow Waiver Agreement signed by borrower(s)</li> <li>◦ Conventional loans only</li> <li>◦ LTV 80% or less</li> <li>◦ Pricing adjustment for escrow waiver reflected on lock</li> </ul> </li> </ul> <p>In accordance with agency guidelines, GHMC will require an escrow / impound account to be established for the payment of flood insurance premiums on all properties located in a flood zone. This requirement is effective regardless of LTV.</p>
<p>Escrow (Completion) Holdbacks (if applicable)</p>	<p>Guaranty Home Mortgage Corporation requires that the improvements for the subject property be complete. Occasionally minor deferred maintenance items that do not affect the livability of the property that may not be completed by the closing date may be postponed and are generally funded through an escrow holdback. All escrow holdbacks will be subject to underwriter approval on a case by case basis and must meet all of the applicable agency guidelines (FNMA, FHLMC, FHA, VA, USDA). The following requirements will apply for approved escrow holdbacks:</p> <ul style="list-style-type: none"> <li>• A copy of the signed Escrow Agreement form must be provided with the funding package. The Escrow Agreement must clearly identify the escrowed items to be completed and state how the escrow account will be managed.</li> <li>• FHA loans require a completed Mortgagee's Assurance of Completion form signed by underwriter.</li> <li>• A clear final inspection from the appraiser must be provided to GHMC upon completion of escrow items.</li> <li>• If deadline for completion of escrow items has elapsed at time of loan purchase, a clear final inspection from appraiser will be required prior to loan purchase.</li> </ul>
<p>Payment Letter</p>	<ul style="list-style-type: none"> <li>• Payment letter must disclose all monthly payments included in the borrower(s) mortgage payment. These amounts should equal the amounts disclosed on the CD and Initial Escrow Account Disclosure.</li> <li>• Payment letter provided to customer at closing should reference <u>NDL2/NDL3 correspondent's</u> payment remittance address.</li> </ul>
<p>Notice of Transfer or Assignment to GHMC</p>	<ul style="list-style-type: none"> <li>• A Notice of Assignment referencing transfer of the loan to GHMC should not be provided to the borrower at closing.</li> <li>• Notification of transfer should be sent to the customer only once GHMC has purchased the loan.</li> </ul>
<p>Hazard / Flood Insurance</p>	<ul style="list-style-type: none"> <li>• Documentation supporting sufficient hazard and flood insurance (if applicable) is required to be delivered in the closed loan file. Refer to the <i>Insurance Requirements</i> section of the guide for documentation requirements.</li> <li>• All transactions must contain a copy of the insurance policy along with a paid receipt for annual premium. Evidence of payment may include:             <ul style="list-style-type: none"> <li>◦ Paid receipt from the insurance agent</li> <li>◦ Itemized as paid on the CD (This does not include premiums paid POC)</li> <li>◦ Zero balance shown on the declarations page</li> </ul> </li> <li>• Refinance transactions must include renewal policies if expiring within 30 days from the GHMC purchase date. The policy must be renewed for a minimum of 12 months. The following documentation is required:             <ul style="list-style-type: none"> <li>◦ Declarations page for the renewal policy evidencing acceptable dates of coverage.</li> <li>◦ Evidence the renewal premium has been paid in full. If the premium is disbursed from the escrow account, the NDL2/NDL3 correspondent must provide a current pay history meeting the guidelines as referenced in the <i>Pay History Requirements</i> section above.</li> </ul> </li> <li>• Refinance transactions where escrows are being waived and the current hazard insurance policy is set up to pay in installments will require either</li> </ul>





- Evidence current policy is paid in full; or
- Evidence current policy is paid current (through later of either closing or disbursement date)
- Upon loan purchase, a mortgagee change letter should be sent to the homeowner's insurance company.
  - GHMC Mortgagee clause is as follows:

Guaranty Home Mortgage Corporation, ISAOA, ATIMA  
 Loan Number \_\_\_\_\_  
 525 Tribble Gap Road #1339  
 Cumming, GA 30028

<p>Standard Flood Hazard Documentation</p>	<ul style="list-style-type: none"> <li>• GHMC requires a completed Life of Loan Flood Cert. to be signed by borrowers on all files.</li> <li>• If a flood cert reflects property is in a flood zone and flood insurance is required, the borrower must sign the acknowledgment included with the flood cert no less than 10 days prior to closing.</li> <li>• GHMC requires the Life of Loan Flood Cert. to be obtained through CoreLogic Flood Services. If the flood cert provided by NDL2/NDL3 correspondent does not meet this requirement GHMC will obtain a flood cert. through CoreLogic and charge the NDL2/NDL3 correspondent upon loan purchase.</li> <li>• GHMC will use the CoreLogic flood cert. results to determine whether or not flood insurance is required.</li> <li>• If any portion of the improvements is located in a special flood hazard area, flood insurance is required.</li> <li>• GHMC requires a Notice of Special Flood Hazards (NSFH) (<i>Flood Insurance Coverage Subject to Change Disclosure</i>) signed by all borrowers on all loans submitted to GHMC for purchase. This form is also available in the Resource Center at <a href="http://ghmc.com">ghmc.com</a></li> </ul> <p>The following language is required on this acknowledgment:  <i>We may assign, sell, or transfer the servicing of your mortgage loan. Your new lender/servicer may require more flood insurance coverage than the minimum amount that has been identified in your Notice of Special Flood Hazards (NSFH). The new lender/servicer may require coverage in an amount greater than the minimum, and has the right to require flood coverage at least equal to 100% of the insurable value (also known as replacement cost value) of the building(s) used as collateral to secure the loan or the maximum available under the National Flood Insurance Program (NFIP) for the particular type of building. You should review your exposure to flood damage with your insurance provider, as you may wish to increase your coverage above the minimum amount required at the time of closing your loan versus what subsequently the new lender/servicer may require.</i></p>
<p>Responsibility for Payment of Property Taxes and Property Insurance</p>	<ul style="list-style-type: none"> <li>• For all loans with established escrow accounts, the correspondent is responsible for the payment of taxes and insurance premiums that become due within 30 days of the GHMC purchase date.</li> </ul>
<p>Tax Info Sheet</p>	<ul style="list-style-type: none"> <li>• A completed Property Tax Information Sheet and / or tax certificate must be included in all closed loan files. Details on tax information sheet should correspond to the details provided on the Initial Escrow Account Disclosure.</li> <li>• The tax info and / or tax certificate must include the following information:           <ul style="list-style-type: none"> <li>◦ Name, Address and telephone number of the taxing authority</li> <li>◦ Tax ID number for the taxing authority</li> <li>◦ Date taxes are next due and payable (should match IEADS exactly)</li> <li>◦ Billing cycle (i.e. annual, semi-annual, etc.)</li> </ul> </li> </ul>
<p>Address Cert.</p>	<ul style="list-style-type: none"> <li>• Address cert. must be included if the borrower(s) mailing address and property address differ.</li> </ul>
<p>Loan Estimate (LE)</p>	<ul style="list-style-type: none"> <li>• All Loan Estimates provided to the borrower must be delivered to GHMC.</li> <li>• NDL2/NDL3 correspondent may not provide a revised LE on or after the date a Closing Disclosure has been provided to the consumer(s).</li> <li>• In addition to the LE, if the consumer was permitted to shop for a settlement service, a written list of services for which the consumer can shop should be provided. This also should have been provided no later than three business days after the NDL2/NDL3 correspondent received the loan application.</li> </ul>



	<ul style="list-style-type: none"> <li>If there is no evidence of a SSPL being given or if the SSPL is not dated, GHMC will assume that the consumer was not given an opportunity to shop and the charge would then be subject to the zero tolerance category.</li> </ul>				
CIC's	<ul style="list-style-type: none"> <li>All change of circumstance forms must be delivered to GHMC.</li> </ul>				
Intent to Proceed	<ul style="list-style-type: none"> <li>The borrower(s) Intent to Proceed form must be included in the credit package delivered to GHMC.</li> </ul>				
Appraisal Acknowledgement and Evidence of Delivery	<ul style="list-style-type: none"> <li>Evidence that all property valuation documents (including but not limited to Appraisal(s) and / or AVM's) have been delivered to the borrower promptly must be included in all loan packages submitted to GHMC for purchase. Acceptable evidence includes:             <ul style="list-style-type: none"> <li>Processor's Cert</li> <li>Email Read Receipt from the borrower</li> </ul> </li> </ul>				
Right to Cancel	<ul style="list-style-type: none"> <li>A Right to Cancel or rescission notice is required to be in the closed loan file if applicable.</li> <li>The rescission period begins on the day the loan documents are signed, as evidenced by the notary date on the Security Instrument, and continues for three business days.</li> <li>Monday through Saturday are considered business days and are counted as part of the rescission period.</li> <li>Sundays and legal public holidays are not included in the rescission period.</li> <li>Correct rescission form should be provided based on Regulation Z requirements. There are two different model rescission notices that may be provided on owner occupied refinances. The H-8 model rescission notice is the standard form used for all refinance mortgage transactions. The H-9 model rescission notice is to be used in a lender to lender refinance. The H-9 form has language that is slightly different and specifically reflects that consumers are entering into a new transaction to increase the amount of credit previously provided and that cancelling the new transaction will not affect any amount that is presently owed. Below is a summary of the differences:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Form H-8- General Refinance</th> <th style="text-align: left; padding: 5px;">Form H-9- Lender-to-Lender Refinance</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <p>Language Difference <b>Your Right to Cancel</b> You are entering into a transaction that will result in a mortgage, lien or security interest on or in your home. You have the legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last...</p> </td> <td style="padding: 5px;"> <p>Language Difference <b>Your Right to Cancel</b> You are entering into a new transaction to increase the amount of credit previously provided to you. Your home is security for this new transaction. You have a legal right under federal law to cancel this new transaction, without cost, within three business days</p> </td> </tr> </tbody> </table>	Form H-8- General Refinance	Form H-9- Lender-to-Lender Refinance	<p>Language Difference <b>Your Right to Cancel</b> You are entering into a transaction that will result in a mortgage, lien or security interest on or in your home. You have the legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last...</p>	<p>Language Difference <b>Your Right to Cancel</b> You are entering into a new transaction to increase the amount of credit previously provided to you. Your home is security for this new transaction. You have a legal right under federal law to cancel this new transaction, without cost, within three business days</p>
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	<ul style="list-style-type: none"> <li>A right to cancel or rescission notice must be signed and dated by all individuals (vested and non-vested) who have an ownership interest in the property being used as security. Individuals who have an ownership interest in real estate include, but are not limited to:             <ul style="list-style-type: none"> <li>Borrowers vested on the property being used as security</li> <li>Non-borrowing individuals who are vested on the property being used as security</li> <li>Non-vested individuals deemed to have an ownership interest in the property (for example, non-borrowing spouse, domestic partner or civil union member (if recognized by state law), or state laws based on community property, homestead, dower/courtesy, etc.)</li> </ul> </li> <li>The following recorded documents, if allowed under state law, showing an individual no longer has an ownership interest in the property may be accepted in lieu of the notice of right to cancel             <ul style="list-style-type: none"> <li>Quit Claim (transactional)</li> <li>Warranty Deed</li> </ul> </li> </ul> <p>Note: Some states may prohibit a creditor from requiring a person with an ownership interest in the property to sign an instrument (such as a quit claim deed) that would result in the forfeiture of their interest in the property.</p>				



- Property vested as “sole and separate property” (in community property, homestead, or dower/ courtesy states) where there is a non-vested individual require the documentation listed above, since the vesting of “sole and separate property” alone may not remove the right of rescission for a non-vested individual.
- If the right to cancel or rescission notice is not executed correctly, the rescission period will have to be re-opened for three business days prior to being eligible for purchase. A revised right to cancel notice signed and initialed by the borrower(s) will be required.

IRS Form 4506-C replaces the form 4506-T effective February 15, 2021

- All borrowers must provide a completed IRS Form 4506-C.
- In addition to the 4506-C form, all borrowers must also execute a Taxpayer Consent Form at closing.
- Form 4506-C must be filled out properly and completely in order for the IRS to process the transcript request.
- Form 4506-C must be provided for each tax form number that requires validation (i.e., 1040, 1120, 1065).
- The following fields must be completed on the Form 4506-C:

Line 1a	The borrower's name on the Federal Income Tax returns when they were filed.
Line 1b	The borrower's Social Security number listed on the application.
Line 2a	The co-borrower's name on the Federal Income Tax returns when they were filed.
Line 2b	The co-borrower's Social Security number listed on the application.
Line 3	The borrower's current mailing address as listed on the application
Line 4	The borrower's address shown on the last return field if different from the address entered on line 3
Line 5a	Enter the following: TaxReturnVerifications.com, 327 Caldwell Drive, #100 Goodlettsville, TN 37072 615-250-2005 Mailbox#Order4506 (NDL3 Correspondents can list their company's Tax verification Service Address)
Line 6	Enter the tax form number that requires validation. A separate Form 4506-C must be provided for each tax form number that requires validation (i.e., 1040, 1120, 1065).
Line 6a-c	Mark applicable box(es).
Line 7	Leave this box blank.
Line 8	Complete the dates of the most recent tax years requested, i.e. 12/31/2019, 12/31/2020.
Signature & Date	Signatory attestation box must be marked. Borrower must sign and date the forms, one (1) at application and one (1) at closing. On joint Federal Income Tax returns a single Form 4506-C can be used for both taxpayers and requires only one (1) signature. For forms filed separately by the borrower and co-borrower a single Form 4506-C for <u>each</u> individual must be completed and signed.
Telephone Number	Insert the borrower's telephone number where they can be reached at during normal daytime business hours.

*\*\*If the information entered on the form differs from that shown above, correspondent will be responsible for obtaining corrected 4506-C signed by borrower(s) prior to loan purchase.*



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<p>IRS Form W-9</p>	<ul style="list-style-type: none"> <li>All borrowers must provide a completed IRS Form W-9 or its equivalent, indicating the social security number.</li> </ul>
<p>Final Loan Application (Effective for new applications dated on or after March 1, 2021 the new redesigned URLA will be required)</p>	<ul style="list-style-type: none"> <li>Final 1003 must be fully executed and included in the closed loan package.</li> <li>The NMLS #'s must be completed</li> <li>A Demographic Information Addendum to the 1003 must be provided for each borrower. All fields must be completed as applicable.</li> </ul>
<p>Underwriting Conditions</p>	<ul style="list-style-type: none"> <li>All underwriting conditions, if applicable, that were required at closing must be delivered in the closed loan file.</li> </ul>
<p>Additional Requirements for Texas Loans</p>	<ul style="list-style-type: none"> <li>GHMC must be provided with a copy of the property survey that is acceptable to the title company / closing attorney on all Texas loans.</li> <li>Survey exceptions on title are <u>not acceptable</u></li> <li>GHMC must have first mortgage lien position on all loans.</li> <li>GHMC will not allow any HOA to have a priority lien position over GHMC's loan</li> </ul> <p><i>Requirements specific to 50(a)(6) Texas cash out loans:</i></p> <ul style="list-style-type: none"> <li>In addition to all 50(a)(6) loan requirements, GHMC requires the following documents to be executed on all 50(a)(6) loans submitted to GHMC for purchase. (<i>These documents are available in the Resource Center on the GHMC website.</i>)             <ul style="list-style-type: none"> <li>Owner's Affidavit of Compliance</li> <li>Owner Affidavit Acknowledging Lender Compliance with Constitutional Requirements to Provide Owner Copy of Loan Application and Early Final Itemized Disclosure of Actual Fees, Points, Interest, Costs and Charges</li> <li>Texas Home Equity Receipt of Copies</li> <li>Texas Home Equity Certificate from Originating Lender Regarding Compliance with Section 50(a)(6) Article XVI of the Texas Constitution</li> <li>Certificate of Non-Cancellation of Loan</li> </ul> </li> <li>Notice Concerning Extensions of Credit defined by Section 50(a)(6), Article XVI, Texas Constitution is required on all 50(a)(6) loans.             <ul style="list-style-type: none"> <li>This acknowledgement must be signed and dated by the borrowers at least 12 days prior to closing.</li> </ul> </li> <li>Acknowledgement from borrower(s) that a copy of the final CD that will be signed at closing was received by borrower one business day prior to closing date is required on all 50(a)(6) loans.</li> </ul> <p><i>Requirements specific to 50(a)(4) loans:</i></p> <ul style="list-style-type: none"> <li>Notice of Refinance of a Texas Home Equity Loan pursuant to subsection (f)(2) of Article XVI, Section 50 of the Texas Constitution is required on all 50(a)(4) loans.             <ul style="list-style-type: none"> <li>This acknowledgement must be signed and dated by the borrowers within 3 days of application and at least 12 days prior to closing.</li> </ul> </li> </ul>
<p>Final Documents</p>	<p>Final/Trailing Documents</p> <ul style="list-style-type: none"> <li>Within 90 days following closing, deliver the Final Documents (Original Recorded Security Instrument and Final Title Policy) to:              ATTN: Final Docs              Guaranty Home Mortgage              10 Lea Ave              Suite 800              Nashville, TN 37210</li> <li>Final Document shipping package should include a manifest to ensure correct identification and tracking in the following format.             <ul style="list-style-type: none"> <li>Stacked in order listed on manifest,</li> <li>GHMC loan number must be reflected on both the manifest and written in the upper left corner of each document</li> <li>Manifest can be found in the Resource Center at <a href="http://ghmc.com">ghmc.com</a></li> </ul> </li> <li>Please refer to the <i>Title Insurance Requirements</i> guide for additional guidance regarding Title Policy requirements.</li> </ul>



## 2022 Amortization Dates

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*The 2022 Amortization dates are as follows:*

January 14<sup>th</sup>

February 14<sup>th</sup>

March 17<sup>th</sup>

April 15<sup>th</sup>

May 16<sup>th</sup>

June 16<sup>th</sup>

July 15<sup>th</sup>

August 17<sup>th</sup>

September 16<sup>th</sup>

October 17<sup>th</sup>

November 14<sup>th</sup>

December 15<sup>th</sup>

