

NEW AND REVISED RESPA REFORM REFERENCE MATERIALS

Pinnacle Capital Mortgage has released the following new and revised RESPA Reform Reference materials (posted on SharePoint and www.pcmloan.com):

NEW:

- [SSPL \(Blank\)](#)
- [Certification of Receipt of GFE and Intent to Proceed form](#)
 - ⇒ *The new form contains lines for borrower signature and borrower date (Note: borrower signature is not mandatory on this form. The original form without borrower signature is still available).*

REVISED:

- [Changed Circumstance Matrix](#)
 - ⇒ *Revisions to the "Important Dates" Section*
- [RESPA Fee Sheet](#)
 - ⇒ *Clarified block 7 fee tolerance*
- [RESPA Reform Calendar](#)
 - ⇒ *Removed borrower intent to proceed on reissued GFEs (Note: A borrower's Intent to Proceed is not required with reissued GFEs).*
- [RESPA Reform Frequently Asked Questions](#)
 - ⇒ *The updated RESPA Reform "Frequently Asked Questions" are indicated on the following page of this PCM Announcement*

(Refer to page 2 of this Announcement for the updated RESPA Reform FAQs)



ADDITIONAL RESPA REFORM FREQUENTLY ASKED QUESTIONS AS OF FEBRUARY 12, 2010:

Q: Does PCM have to give a borrower 10 business days 'to shop' and obtain a new Intent to Proceed each time that a GFE is reissued due to a valid Changed Circumstance?

A: No. A new Intent to Proceed is not required to proceed with the revised GFE if the borrower has previously expressed intent to move forward with the transaction. The loan originator must complete line 2 in the "Important Dates" section with the same date as the last GFE.

Q: Do we need to re-disclose when a loan goes from a float to a lock?

A: We must re-disclose when we go from float to lock since it is categorized as a "Changed Circumstance." The Important Dates section of the GFE will change to reflect the lock expiration date.

Q: How is a tolerance violation that is corrected by PCM shown on the HUD-1?

A: The settlement agent must prepare a revised HUD-1 that states the actual charges paid by the borrower and seller. If PCM or the broker pays for a portion of a charge to cure a potential tolerance, this amount should be shown as a lump sum amount on a blank line in series 204 through 209 with a description of the tolerance category and a notation that the lender has made a P.O.C. payment of a specified amount to correct a potential tolerance violation.

Q: Is the tolerance threshold for HUD-1 Lines 801, 802 and 803 separate or is the tolerance threshold the aggregate of the three lines?

A: HUD-1 Lines 801, 802 and 803 each have a separate tolerance threshold.

Q: If a settlement agent revises a HUD-1 to cure a technical error or to reflect a tolerance cure, may the settlement agent mark the HUD-1 as Amended to distinguish from the original HUD-1?

A: Yes. If a settlement agent revises a HUD-1 to cure a technical error or to reflect a tolerance cure, the settlement agent may mark the HUD-1 as Amended to distinguish it from the original HUD-1.

Q: I have a broker that uses a third party processing service. Should they include that fee in block 3 and not in their origination charge? They provide us with an invoice and we have title pay it direct to the processing company.

A: Processing Fees must be included in Block 1 – even if the service is outsourced. The broker should include in their Block 1 fees and then pass it on to their vendor. All amounts paid to brokers are included in their 1099 statement at year end – so they will have to tease out any payments that they were ultimately distributed to vendors for tax purposes.

Q: Under MDIA, the upfront appraisal fees could not be charged fee until 4 days after the TIL was mailed. Has this changed with the advent of REPA 2010?

A: No. However, RESPA 2010 requires that borrowers may never be charged for appraisal fees until they have expressed 'Intent to Proceed' with the transaction.

Q: Can PCM use brokers' initial TIL dates to determine the earliest date that a borrower may be charged for appraisal fees under MDIA?

A: PCM may not use brokers' TIL issue dates to calculate MDIA wait periods for charging appraisal fees. MDIA wait periods are still triggered by the dates that PCM issues revised TILs, except that borrowers may never be charged for appraisal fees until they have expressed 'Intent to Proceed' with the transaction. RESPA trumps MDIA in this respect.

