

CLARIFICATION: Changes to Mortgage Disclosure Requirements

The purpose of this Announcement is to clarify a few items on our previously issued Announcement (PCM-01, July 27) regarding the changes to mortgage disclosure requirements.

APR CHANGES:

If the APR **increases** by more than .125% from the previously disclosed APR, a new TIL must be disclosed. Loan documents cannot be signed until 3 business days after the re-disclosure TIL is received by the borrower. Potential impacts to the APR include: change in interest rate, change in loan amount, loan product change, change in closing date and change in fees.

EMAIL DISCLOSURE PROCESS:

Brokers must provide the borrower's email address in all loan submissions. The email address should be included on the Submission Form and in the Fannie Mae 3.2 data file.

Brokers should let their borrowers know that an email containing a link to their disclosures will be sent to them. **If borrowers do not confirm receipt by clicking the provided link to the disclosures within 36 hours of receiving the email, disclosures will be sent by U.S. Mail. Please note that sending disclosures by U.S. Mail may delay closing dates.**

Brokers will receive an email from PCM indicating the date the initial disclosures or re-disclosures were provided to the borrower and the mailing method (email or U.S. Mail) so they can manage fee collection, appraisal ordering and closing dates.

HOW THE WAIT PERIODS WORK (Email vs. U.S. Mail):

	EMAIL REQUIRED WAIT TIME	U.S.MAIL REQUIRED WAIT TIME
Upfront fee collection	1 business day after borrower downloads initial disclosures.	4 business days after initial disclosures are mailed.
Initial disclosure review (prior to signing loan documents)	7 business days after borrower downloads initial disclosures.	7 business days after initial disclosures are mailed.
APR increase of > .125% plus TIL re-issue	3 business days after borrower downloads re-disclosures.	6 business days after re-disclosures are mailed.

Please refer to the following pages for examples of the various wait period requirements.



INITIAL DISCLOSURE WAIT PERIOD:

EMAIL: Assume a loan submission was received by PCM on Monday, August 3rd. The earliest day to sign loan documents will be 7 business days after initial disclosures are sent by PCM.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE Disclosure email link is emailed to borrower. Borrower clicks disclosure link and downloads documents (Initial Disclosure Day 0)	4 (Initial Disclosure Day 1)	5 (Initial Disclosure Day 2)	6 (Initial Disclosure Day 3)	7 (Initial Disclosure Day 4)	8 (Initial Disclosure Day 5)
9	10 (Initial Disclosure Day 6)	11 EARLIEST DAY TO SIGN LOAN DOCUMENTS (Per initial disclosure wait period requirements) (Initial Disclosure Day 7)				

U.S. MAIL: If the borrower does not open the email, click the disclosure link and download the documents within 36 hours of delivery, disclosures will be sent by U.S. Mail. The earliest day to sign loan documents will be 7 business days after the disclosures are sent by U.S. Mail.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE Disclosure email link is emailed to borrower. Borrower does not click link and disclosures are not received.	4 Borrower still does not click link and disclosures are not received.	5 INITIAL DISCLOSURES ARE SENT BY U.S. MAIL (Initial Disclosure Day 0)	6 (Initial Disclosure Day 1)	7 (Initial Disclosure Day 2)	8 (Initial Disclosure Day 3)
9	10 (Initial Disclosure Day 4)	11 (Initial Disclosure Day 5)	12 (Initial Disclosure Day 6)	13 EARLIEST DAY TO SIGN LOAN DOCUMENTS (Per initial disclosure wait period requirements) (Initial Disclosure Day 7)	14	15



FEE COLLECTION WAIT PERIOD:

EMAIL: The earliest day to collect fees will be 1 business day after disclosures are received by the borrower.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE Disclosure email link is emailed to borrower. Borrower clicks disclosure link and downloads documents. <small>(Initial Disclosure Day 0)</small>	4 FIRST DAY TO COLLECT FEES <small>(Initial Disclosure Day 1)</small>	5 <small>(Initial Disclosure Day 2)</small>	6 <small>(Initial Disclosure Day 3)</small>	7 <small>(Initial Disclosure Day 4)</small>	8 <small>(Initial Disclosure Day 5)</small>

U.S. MAIL: If the borrower does not open the email, click the disclosure link and download the documents within 36 hours of delivery, disclosures will be sent by U.S. Mail. The earliest day to collect fees will be 4 business days after the disclosures are sent by U.S. Mail.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE Disclosure email link is emailed to borrower. Borrower does not click link and disclosures are not received.	4 Borrower still does not click link and disclosures are not received.	5 DISCLOSURES ARE SENT BY U.S. MAIL <small>(Initial Disclosure Day 0)</small>	6 <small>(Initial Disclosure Day 1)</small>	7 <small>(Initial Disclosure Day 2)</small>	8 <small>(Initial Disclosure Day 3)</small>
9	10 FIRST DAY TO COLLECT FEES <small>(Initial Disclosure Day 4)</small>	11 <small>(Initial Disclosure Day 5)</small>	12 <small>(Initial Disclosure Day 6)</small>	13 <small>(Initial Disclosure Day 7)</small>	14	15



APR CHANGE WAIT PERIOD:

EMAIL: Assume the APR increases by .150% on Monday, August 10th. The earliest day loan documents can be signed is three business days after re-disclosures are received by the borrower.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE (Initial Disclosure Day 0)	4 (Initial Disclosure Day 1)	5 (Initial Disclosure Day 2)	6 (Initial Disclosure Day 3)	7 (Initial Disclosure Day 4)	8 (Initial Disclosure Day 5)
9	10 APR INCREASES BY .150% Disclosure email link is emailed to borrower. Borrower clicks disclosure link and downloads documents. (Re-disclosure mail day 1) (Initial Disclosure Day 6)	11 (Re-disclosure review day 1) (Initial Disclosure Day 7)	12 (Re-disclosure review day 2)	13 EARLIEST DAY TO SIGN LOAN DOCUMENTS (per re-disclosure wait period requirements) (Re-disclosure review day 3)	14	15

U.S. MAIL: The earliest day loan documents can be signed is 6 business days after re-disclosures are sent by U.S. Mail.

AUGUST 2009						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 APPLICATION DATE (Initial Disclosure Day 0)	4 (Initial Disclosure Day 1)	5 (Initial Disclosure Day 2)	6 (Initial Disclosure Day 3)	7 (Initial Disclosure Day 4)	8 (Initial Disclosure Day 5)
9	10 APR INCREASES BY .150% Re-disclosure email link is emailed to borrower. Borrower does not click link and re-disclosures are not received. (Initial Disclosure Day 6)	11 (Initial Disclosure Day 7) Borrower still does not click email link and re-disclosures are not received.	12 RE-DISCLOSURES ARE SENT BY U.S. MAIL (Re-disclosure mail day 0)	13 (Re-disclosure mail day 1)	14 (Re-disclosure mail day 2)	15 (Re-disclosure mail day 3)
16	17 (Re-disclosure review day 1)	18 (Re-disclosure review day 2)	19 EARLIEST DAY TO SIGN LOAN DOCUMENTS (per re-disclosure wait period requirements) (Re-disclosure review day 3)	20	21	22