

## **Bulletin #041510**

We have not received everyone's Service Provider List that is required to go out with the 2010 Good Faith Estimate. If you haven't already provided this list to us, please do so no later than tomorrow at 2:00, so that we can include these in your initial disclosure package.

As you know, if your borrowers choose someone on this list you are restricted to a 10% tolerance on the fees that you charge. If you under disclose your service provider's fees on the GFE – by more than 10% your borrower will not have to pay that difference, the Lender (you) will be required to pay the difference.

It is best to keep your Service Provider List short, show one Title company and one Survey company – and make sure you know what their fees are then disclose their fees a little higher to make sure you are not under disclosing for those times when they have to inflate their fees due to geographic locations, etc.

If your borrower chooses someone other than the providers on your list, there is no tolerance applied and the borrower will be responsible for paying the amount that their provider charged.

If you do not provide a service provider list, then a 10% tolerance will be applied. We have had several situations where the Lender had to refund the borrower funds after closing because they did not have a service provider list, and they under estimated the cost by more than 10%. On the other hand we have seen the Lender not be penalized because they had a service provider list and the borrower chose someone that was not on the Lender's list.

Effective immediately, we will require a copy of your Service Provider List before sending out your initial GFE and disclosures. If you do not provide one, and we have to send to meet the 3 day requirement, we will not be responsible for fees that are outside of tolerance for this portion of the GFE.

Our purpose is to help you stay in compliance and save you from penalties as a result of incomplete or inaccurate information. I appreciate your help in getting this information to us in a timely manner.

Your Service Provider List can be emailed to [ops@mtgoperations.com](mailto:ops@mtgoperations.com) or faxed to 713.212.1710. Please call your Processor, Casey Jones, or Jackie Adams if you have any questions regarding this information.

This Bulletin will be posted on our website for future reference.