

## **GVMS Bulletin – 09/30/09**

October 1<sup>st</sup> is right around the corner... How will G&V help make sure you are in compliance with regards to the new HPML requirements? If we are currently handling your loans from processing through the purchase of your loan by the Investor, we will implement the following procedure to make sure you are in compliance with the new Higher-Priced Mortgage Loan threshold which goes into effect for applications taken on or after October 1, 2009.

Once you have locked your loan, we will determine if you need to re-disclose based on the MDIA regulation and then we will check the HMDA rate spread calculator against the new APR to make sure your loan is within tolerance. (This test must be done on your Refinance and Purchase owner occupied loans including 2<sup>nd</sup> lien purchase money transactions.)

If the test shows you have gone over the threshold established, we will notify the Originator of the findings so they can reduce fees or rate that may have caused them to fall into a HPML prohibited category. Once they have made their changes, we will rerun the APR and the HMDA rate spread calculator once again. This will be considered the final TIL for closing purposes. If the rate was initially under disclosed according to the MDIA tolerance – new disclosures will be sent to the borrower. (These loans will not be able to close for 3 days after borrower's receipt of the new disclosure – or 6 days from the mail date.) If the rate was not initially under disclosed the new TIL will be sent to the closing table as the final TIL.