Encompass®
by EllieMae®

User's Guide

For use with Encompass 19.1 Banker Edition

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Chapter 1

Introduction

Welcome to the *User's Guide* for Encompass Banker Edition. This guide contains the information you need to understand the Encompass environment and originate and process loans.

NOTE: *Your access to the features described in this guide depends on the settings in your user profile as defined by your system administrator.*

Getting Help with Encompass

Many resources are available to help you learn and use Encompass.

The Encompass Help Menu

The Help menu at the top of your Encompass window contains options that take you directly to the information you need. Each option is described below.

- **Encompass Help**

  The online help system provides comprehensive Encompass information, including detailed descriptions of features and tools, step-by-step instructions, and tutorial videos. You can also open the online help by pressing the **F1** key.

- **Tutorials**

  The Video Tutorials page contains a selection of video tutorials that teach you to use Encompass features such as the Pipeline, eFolder, and Dashboard.

- **Glossary**

  The Glossary contains definitions of the terminology and features used in Encompass.

- **Guides & Documents**

  The Guides & Documents contains the latest versions of Encompass documentation, including user guides, white papers, and links to quick reference guides and video tutorials.

- **Quick Reference Guides**

  The Quick Reference Guides are one-page, easy-to-follow workflows of common tasks and processes in Encompass.

- **Training Schedule**

  The Training website contains detailed information on the programs and options available to help you learn Encompass. You can watch video tutorials, sign up for online classes and learn about onsite and custom class offerings.

- **Technical Support Options**

  The Technical Support website contains a searchable database of how-to articles and problem solutions, as well as options for contacting our support team.

- **Release Notes**

  The Release Notes page includes links to both current and past release notes.

Field-Level Help

Field-level help automatically displays when you hover your mouse pointer over a field on an input form. The help contains the field ID followed by the description.

The HelpPad

The HelpPad allows you to capture field-level help in a separate HelpPad window. This is especially useful for fields that include detailed definitions or calculations.
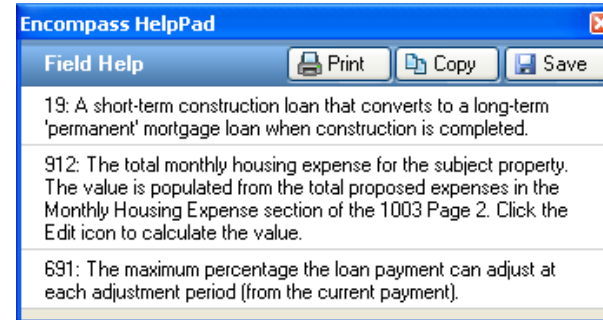
1 To access the HelpPad, press the **CTRL** key on your keyboard and then click a field on a form.

   HelpPad opens with the selected field-level help displayed.

2 Repeat step 1 to add more field descriptions to the HelpPad.

   You can now view, print, copy, or save the information as needed.

To Disable Field-Level Help:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **My Profile**.

3 Clear the **Enable field-level help** check box and click the **Save** icon.

Logging In

Your system administrator will create a user profile for you that includes a User ID and Password. Your user profile also contains settings that define access to loan files and the Encompass features and functions you will need to use.

The first time you log into Encompass, the Encompass - Launcher opens. For subsequent logins, the Encompass Log In window displays where you will enter your Encompass User ID and Password. Contact your system administrator if you do not already have this information.

NOTE: Before logging in for the first time, make sure your Encompass administrator has provided you with the 10-digit Client ID starting with 30 that is required for this procedure. Example: 3012345678.

To Log In:

1 Double-click the **Encompass** icon on your desktop.

2 On the Encompass - Launcher, enter the 10-digit **SmartClient ID** provided by your system administrator.
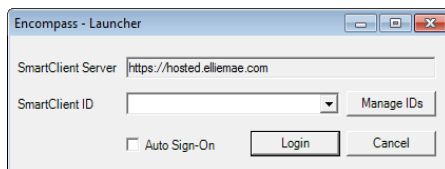
3 Confirm that the **Auto Sign-On** check box is selected, and then click **Login.**

4 On the Encompass Log In window, enter your Encompass **User ID** and **Password**, and then click **OK**. The **Networked** Connection option will be selected by default and the Server information will already be populated.
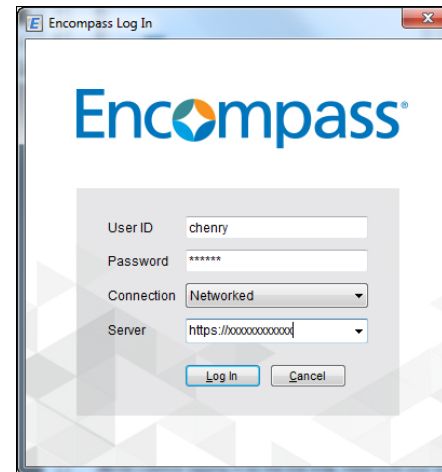
Setting Up the Ellie Mae Network

The Ellie Mae Network transaction platform connects you to online service providers from within Encompass. Before you can order products and services, you must establish accounts with your service providers. Your system administrator may have already established an account for you. If not, refer to Chapter 7, "Ordering Services" for detailed instructions.

Personal Settings

Once you log in, use the Personal Settings options to manage the following areas that control your personal information and preferences: My Profile, Default File Contacts, Status Online Configuration, Autosave Configuration, Pipeline Refresh, Email Settings, and Grant File Access.

My Profile

Use the My Profile tool to update your password, name, and contact information.

To Update Profile Information:

NOTE: Contact your system administrator if you have not been granted access rights to My Profile options.

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **My Profile**.

3 Enter or change your profile information.

NOTE: *If you change your password, it must comply with the naming requirements established by your system administrator. The next time you access the Ellie Mae Network you will be prompted to enter your old password first.*

4 If you are assigned a Loan Officer persona, you can click the **My State Licenses** button to view your state licensing information.

5 Optionally, clear the **Enable field-level help** check box to disable field-level help text, but retain the field ID display.

6 In the Email Signature panel, enter email signature details such as name, address, phone and/or fax number and so on to create a personal email signature that displays in email notifications for Status Online Updates. This signature is added to an email when content is populated from a template with a signature field. For additional information about templates, refer to Personal Status Online.

7 Click the **Save** icon.

Default File Contacts

The Default File Contacts tool is used to maintain your most commonly used service providers. When you originate a loan, the default file contacts are copied to the appropriate loan forms and to the loan's File Contacts list. The list of default providers is specific to each user.

TIP: *If a Data Template contains entries for file contacts, they will overwrite default provider entries when a loan is created.*

NOTE: *Some contacts, such as Appraiser, contain Relationship and Line Item Number fields. These are used to disclose your relationship to the provider, if any. Enter the relationship and the provider's line number from the Loan Estimate.*

To Add a Default File Contact:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **Default File Contacts**.

3 Click the **Address Book** icon next to the Company Name field for the category of default file contact you want to add.

The Business Contacts window opens, displaying contacts associated with the selected category.

4 Select a business contact and click **Select**.

The contact information is copied to the Default File Contacts list.

NOTE: *You can also add a default file contact by typing contact information directly in the contact fields.*

5 When finished, click the **Save** icon.

Personal Status Online

Use the Personal Status Online Configuration tool to set up a template with your personal templates and triggers for Status Online updates. If you are authorized to use the Status Online feature, a Status Online update is triggered when you exit a loan after making changes that match the criteria set in the status online templates you have created.

Updates are published to a secure website (the Encompass WebCenter, Encompass Consumer Connect or the Ellie Mae Loan Center) where authorized borrowers and partners can track the progress of a loan at any time from any Internet connection. Updates can also be configured to send your borrowers and partners HTML email notifications that provide more detailed information about the update.

Personal Status Online updates are sent in addition to the Company Status Online updates that have been created by your administrator. The template is specific to each user who is authorized to use the Status Online tool.

NOTE: Changes to the setting apply only to loans created after the setting is changed.

About Update Triggers

Each option created in the template contains a trigger that prompts a Status Online update when an event is achieved. You can create a trigger based on the achievement of a milestone, the receipt of a document, or the entry of a value in a specified field. You can override the settings in the template when you update the status for a specific loan. You can also configure each status update to send out automatic or manual updates when a trigger event occurs:

- **Automatic** - The Status Online update is sent automatically without any action on the part of the Encompass user who is working in the loan.
- **Manual** - The Encompass user who is working in the loan decides whether or not to send the update manually. If a reminder has been created, a prompt displays when the user exits a loan after a Status Online update has been triggered.

Personal Status Online Template

Use the Personal Status Online Template tab to create the templates and triggers for your Personal Status Online updates. The templates display in a list that includes the Name, Status Trigger, Update Method, and Email Message (email template) selected for each template.

NOTE: Entries that display in gray text are Company Status Online templates that were created by your company's administrator. You cannot edit or delete Company Status Online templates, but you can duplicate them, and then use the duplicates as a starting point for creating new Personal Status Online updates.

Add a Status Online Template:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **Personal Status Online**.
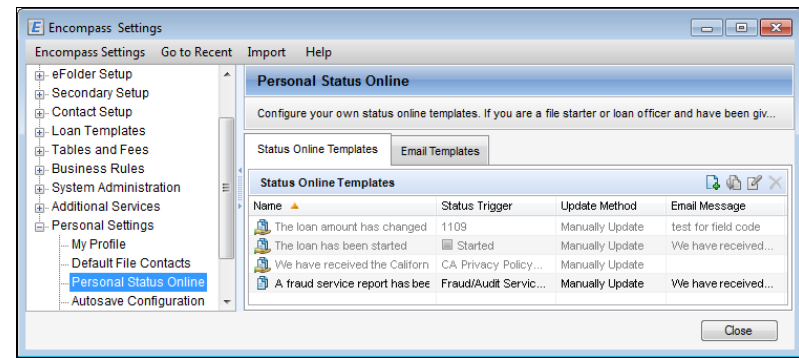
3 On the **Personal Status Online Template** tab, click the **New** icon.

4 Complete the procedures described below, and then click the **Save** icon to save your changes.

Select Trigger

- Select **No Trigger**, to create an template that is not tied to a trigger.

  *NOTE: Select **No Trigger** only if you plan to select the Manually Update option for the Update Method in the Configure Status Online Update section.*

- If you select the **Milestone Finished** trigger, select a milestone from the list.
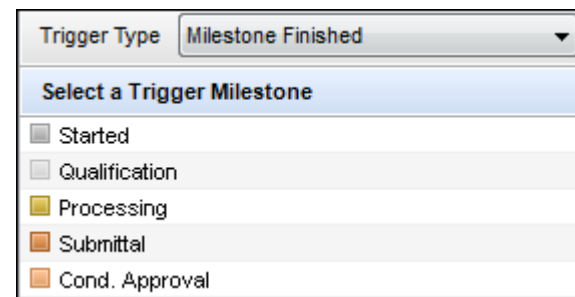
- If you select the **Document Received** trigger, select a document from the list.

NOTE: *The documents that display in the list are based on the documents your administrator has added to the* **Documents** *setting under* **eFolder Setup** *in the* ***Encompass Settings***.

- If you select the **Field Value Entered** trigger, select one or more fields. The selected fields are added to the list of trigger fields. The update is triggered when values are entered in all of the selected fields.

Select Fields Based on Field IDs

1 Click the **New** icon.

2 Enter one or more field IDs.

- If you fill all the available entry fields and need to add more fields, click **Add More**. The selected fields are added to the list of trigger fields and the Add Fields entries are cleared for additional entries.

3 When finished, click **Add**.

Select Fields From Forms

1 Click the **Find** icon.

2 Select a form on the left panel.

3 Right-click one or more fields on the form.

4 Continue selecting forms and fields until you are finished, and then click **OK**.

Configure Status Online Update

1 Enter a Status Description. This is the description your borrowers and partners will see when you publish Status Online updates.

2 Select an Update Method:

- **Automatic Update** - Updates are sent automatically when a user exits a loan file after a   trigger event occurs. No action is required on the part of the Encompass user working in the loan.

- **Manual Update** - A prompt displays when a user exits a loan file after a trigger event occurs. The prompt window allows the Encompass user working in the loan to decide whether to send the update manually.

3 If you select the Manual Update option, select a Reminder option:

- **No reminder** - When a user exits a loan, if a Status Online option has been triggered, the user will not be prompted with an update message. However, if an email template has been added to the trigger, an Email Notification window displays when the user manually publishes the update, allowing the user to adjust the email subject, message, and recipient email addresses.

- **Remind users when they exit the loa**n - When a user exits a loan, if one of the templates has been triggered, the Status Online Tool will open and the user will be prompted to update Status Online.

Send Notification Email (Optional)

If you created email templates (see below), you can select predefined content to include in the notification email.

1 Select a template from the **Email Template** list.

- Click the **Find** icon to view the content of the selected template.

2 Select **Loan Officer**, **File Starter**, **Current User**, or **Me** from the **From** list.

- The email for the selected user will display in the **From** field when the email notification is sent.

- Selecting **Me** will cause your email address to always display as the sender, even if another user sends the update.

- Selecting **Current User** will use the email address of the user sending the update.

3 In the To section, select the check box for one or more recipients who will receive the email notification.

NOTE: A new update template or edits to an existing template are applied only to loan files that are started after the template is created or changed. The changes are not applied to previously existing loan files. For example, if you associate an email template with a Status Online template, the email notification will be sent only for loans created after the email template was associated with the update.

Work with Personal Status Online Templates

After creating Personal Status Online templates, you can edit or delete templates as needed.

To Edit a Template:

1 On the **Personal Status Online Templates** tab, select a template on the list and click the **Edit** icon.

2 Edit the Status Description and the Trigger options, and then click **Save**.

To Delete a Template:

1 On the **Personal Status Online Templates** tab, select a template on the list and click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

Email Templates

Use the Email Templates tab to create preconfigured email messages that can be attached to Status Online templates and sent to borrowers or partners instead of typing an email text each time you send an update.

To Add an Email Template:

1 On the **Email Templates** tab, click the **New** icon to open the Email Template Details window.

2 Select a **Loan Source** from the drop-down list.

- Select **Consumer Connect** to create templates for loans originated via Encompass Consumer Connect web application. Templates created with the Consumer Connect option selected will have the Recipient Full Name field available in the list of Commonly Used Fields that can be inserted into a template.

- Select **Non-Consumer Connect** to create templates for loans originated in Encompass or other any other source except from an Encompass Consumer Connect application. Templates created with the Non-Consumer Connect option selected will not have the Recipient Full Name field available in the list of Commonly Used Fields.

- The remaining Commonly Used Fields are available in both types of templates.

- The Template Type field is a read-only field and automatically set to Status Online.

3 Enter a Subject for the email.

4 Enter the content of the email message in the text box.

5 Click **Save**.

When email notifications are sent, Encompass verifies whether the loan is a Consumer Connect or Non-Consumer Connect loan. Encompass then displays only the appropriate templates for the loan. Only Consumer Connect templates are available for Encompass Consumer Connect loans; only Non-Consumer Connect templates are available for Non-Encompass Consumer Connect loans. When applying a Consumer Connect template, the email text displays the words *Recipient Full Name*. When the email is sent, the recipient's name is populated in the appropriate email as it is sent to each recipient.

To Format an Email Template:

Use the toolbar on the Email Template Details window to format the content of an email template:

1 On the **Email Templates** tab, select a template from the list, and then click the **Edit** icon.

2 To insert an image, click the **Image** icon to open the Insert Image window, select a file, and then click **Insert**.

- To add an image to the Insert Image window, click the **Add** icon, browse to the image, and then click **Open**.

- To delete an image from the Insert Image window, select an image, and then click the **Delete** icon.

3 To insert a hyperlink, highlight the link text, click the **Hyperlink** icon, and select an option:

- To have the link open the WebCenter, Encompass Consumer Connect, or Loan Center, select the **The WebCenter/Loan Center** option.

- To have the link open a website, select **General web address**, and then enter the URL for the website using the format *http://www.websitename.com*

- To have the link open the recipient's email application, select **Email address**, and then enter the email address that you want to display in the email **To** line.

4 To insert the signature of the Encompass user sending the update, click the **Insert** icon, select the Signature option, and then click **Insert**.

*NOTE: If you paste content into the HTML editor from another text editor (for example Word or Notepad), additional paragraph tags may be copied into the HTML code from the other text editor, which could cause the signature to display below the location where you pasted it. To adjust the signature location, open the source code, as described in Step 7, and remove the duplicate **<P>** and **</P>** tags from around the signature.*

5 To insert a commonly used field, click the **Insert** icon, select the **Commonly Used Field** option, select a field from the list, and then click **Insert**.

6 To insert any Encompass field, select the **Other Field** option:

- Enter the field ID.

- Or click the **Find** icon, select a form in the left panel, right-click a field in the left panel, and then click **OK**.

7 To modify the HTML code for the template, or to insert your own HTML code for a template, right-click the content screen, click **View Source**, edit or enter the HTML code, and then click **Update**.

8 When finished, click **Save**.

To Edit an Email Template:

1 On the **Email Templates** tab, select a template from the list, and then click the **Edit** icon to open the Email Template Details window.

2 Edit the Subject and message, and then click **Save**.

To Duplicate an Email Template:

1 On the **Email Templates** tab, select a template from the list, and then click the **Duplicate** icon.

2 Change the Subject, edit the message content as required, and then click **Close**.

To Delete an Email Template:

- On the **Email Templates** tab, select a template from the list, and then click the **Delete** icon.

Autosave Configuration

Use the Autosave Configuration options to modify your autosave settings on your computer. If enabled, open loan files are saved to your Temp folder at the designated time interval. If Encompass abnormally closes while you are working on a loan, the data can be restored when you log back in.

By default, autosave is globally enabled for all users. Your administrator can globally disable (or enable) autosave and disable/enable your ability to override the global settings.

To Update Autosave Settings:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **Autosave Configuration**.
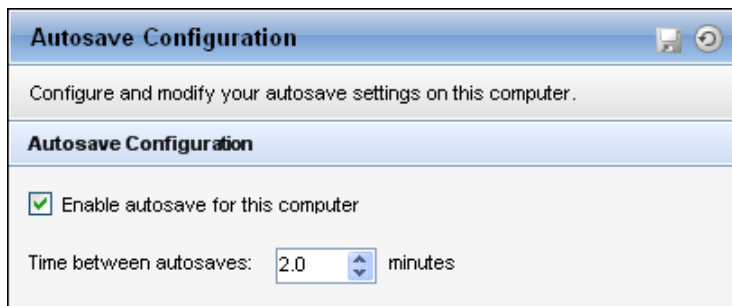
3 Select the **Enable autosave for this computer** check box to enable autosave. Clear the check box to disable autosave.

   NOTE: If your administrator has globally disabled the autosave feature, this check box will be unavailable (dimmed).

4 Enter or scroll to a value for the **Time between autosaves**.

5 Click the **Save** icon.

Pipeline Refresh

Use the Pipeline Refresh tool to set the automatic refresh frequency for the information displayed on your Pipeline.

To Update Refresh Settings:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **Pipeline Refresh**.
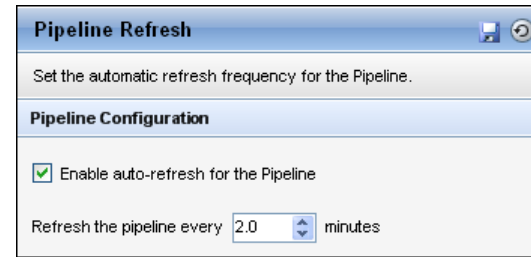
3 Select the check box at the top of the screen to enable the auto-refresh feature.

4 Enter the number of minutes between refreshes, and then click the **Save** icon.

Email Settings

Use the My Email Server Settings options to specify your personal preferences and server settings used to send mail merges from the Contacts Manager (refer to "Using the Mail Merge Feature" on page 355 for details).

NOTE: All possible options are described here. The options you can configure are based on the settings defined by your system administrator on the Email Server Settings screen.

To Access My Email Server Settings:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Personal Settings**, and then click **My Email Server Settings**.
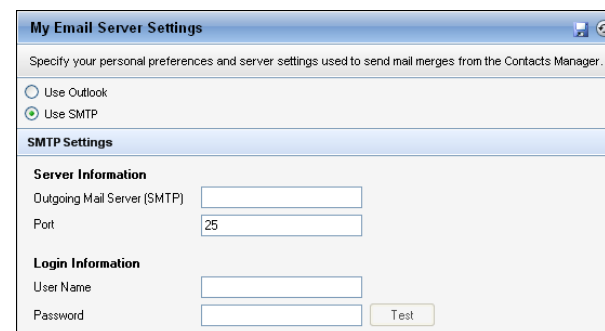
Use Outlook or SMTP:

- Select **Use Outlook** or **Use SMTP** to specify the server used to send mail merge messages.

SMTP Settings:

1 Select the **Use company settings** check box to use the default settings for your company.

2 To set your own SMTP settings:

- Clear the **Use company settings** check box.

- In the SMTP Settings section, enter values for your Server Information and Login Information.

- Click **Test** to send a test message to your email address using the Server Information (Outgoing Mail Server and Port).

Grant File Access

Use the Grant File Access tool to grant or revoke loan file access rights. By default, the ability to access loans is based on settings in your user profile, your position in the organization hierarchy, and the access granted when you are a member of a loan team.

- Read/Write (R/W) Right - Read/Write access permits the user to view and make changes to a loan.

- Full Right (R/W access and assignment) - Full Right access permits the user to view and make changes to a loan, to assign access rights to other users, and to unlock a loan.

NOTE: *To assign access rights to another user, you must have Full Right access to the file or be an admin user.*

Additional Information

- If you assign Read/Write Right (R/W Right) and then want to revoke that right, click the **Full Right** setting in the Revoke section. The user whose read/write right was revoked may still be able to view the loan (as well as use the loan information in reports and Dashboard displays) if the loan owner is positioned directly below in the organization hierarchy.

- If you select the **Assignment Right** setting in the Revoke section for a user who has been granted Full Right access, the user will still have Read/Write Right.

- If you revoke Full Right access to a loan, the user whose Full Right access was revoked may still be able to view the loan (as well as use the loan information in reports and Dashboard displays) if the loan owner is positioned directly below in the organization hierarchy.

To Assign Access Rights:

1 On the menu bar, click **Encompass** and then click **Settings**.

2 In the left panel, click **Personal Settings**, and then click **Grant File Access.**

3 Search for and select the loans to grant access to.

- Select a Role, the Name of the user currently assigned to the role, and the Loan Folder in which the loans are located.

- Click **Search**.

- Select one or more loans.

  NOTE: *Each loan on the list shows the name of the borrower and the users that have R/W or Full Right access to the loan.*

4 From the list of users, select one or more users to assign rights to. You can select a Role to filter the list of users.

5 Select the access assignment option: **R/W Right** or **Full Right**.

6 Click **Assign**.

- The users and the selected rights are added to the loans.

To Revoke Access Rights:

1 Search for and select the loans from which you will revoke rights.

- Select a Role, the Name of the user currently assigned to the role, and the Loan Folder in which the loans are located.

- Click **Search**.

- Select one or more loans.

2 From the list of users, select one or more users from whom to revoke rights. You can select a Role to filter the list users.

3 Select the rights to revoke: **Assignment Right** or **Full Right**.

4 Click **Revoke**.

The selected rights are revoked from the loans.

NOTE: Rights are revoked as appropriate. For example, if you select a user and access rights that do not exist on the selected loan, the request is ignored.

Restore Warning Messages

Use the Restore Warning Messages setting to restore selected default Encompass pop-up warning messages that were previously disabled.

To Restore a Warning Message:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 In the left panel, click **Personal Settings**, and then click **Restore Warning Messages**.

3 Select the check boxes for the default warning messages that you want to restore.

- The logout warning message displays when you exit Encompass and prompts you to confirm that you want to exit Encompass.

- The eFolder File manager warning message displays when you have assigned or deleted all pages in an image attachment in the File Manager. The warning reminds you that the image attachment will be deleted because it no longer contains any content.

4 When finished, click the **Save** icon.

Chapter 2

The Encompass Work Environment

This chapter describes key components of the work environment.

- Navigation and icons
- The Home Page
- The Pipeline
- Loan Workspace

- Alerts
- User Roles
- Public and Personal Resources
- Instant Messenger

Navigation and Icons

Navigating between features, tools, and forms is simple and intuitive. When you log into Encompass, the Home Page opens. To access the tools and functions to which you are authorized, click a tab at the top of the window. Each window contains buttons, file menus, and keyboard shortcuts for the available tasks.

Keyboard Shortcut Guide

The Keyboard Shortcut Guide is available for download from the Encompass Help site or the Resource Center.

Icons

The following standard icons are used throughout Encompass.

Alert - One or more alerts exist for the loan.

Message - One or more messages exist for the loan.

New or **Add** - Creates a new file, folder, contact, or other entity.

Edit - Opens the selected item for editing.

Duplicate - Creates a duplicate of the selected item.

Save - Saves a new or existing item.

Delete - Deletes the selected item.

Reset - Discards changes and restores default settings/view.

Refresh - Updates data, such as on the Pipeline.

Find - Search for information.

Excel - Exports selected data to an Excel spreadsheet.

Print - Prints the selected information.

Copy - Copies the selected item.

Cut - Removes an item, typically to paste in another location.

Paste - Pastes an item from the clipboard to a selected location.

Email Conversation Log - Opens a Conversation Log worksheet (and Microsoft Outlook) for the associated contact.

Phone Conversation Log - Opens a Conversation Log worksheet for the associated contact.

Address Book - Quick access to business contacts. The Address Book enables you to copy contacts to a loan file, File Contacts tool, or Default File Contacts tool.

Rate Lock - Indicates the current rate lock status of a loan: no lock, locked, or expired lock (red).

Rate Lock Request - Indicates an open rate lock request: requested for an unlocked, locked or expired rate lock.

Rate Lock Extension Request - Indicates an open rate lock extension request.

Rate Lock Cancellation - Indicates a rate lock cancellation: cancellation requested; lock cancelled.

Calculation Lock - The lock icons are used on input forms to indicate if the associated calculated field is locked or unlocked.

- **Locked:** When a gold lock icon displays next to a field it indicates that the value has been 'locked down' and will not automatically be recalculated by Encompass, even if related or dependent fields are changed. This can occur in several ways:

  - **Encompass version update with new calculation:** Loans on prior versions with the prior version of the calculation will have the field locked down to preserve the prior calculation. This is done in order to maintain the data integrity of closed loans and disclosed loans.

  - **User override:** User has overridden the calculation, either directly or through a business rule.

  - **Business rule override:** Advanced code can be written for Field Triggers (fields.lock("*fieldid*")) to lock the field and set to another value.

If a user needs to refresh the calculation in one of these 'locked down' fields, they can unlock the field (if authorized) by clicking the gold lock icon, and Encompass will recalculate the field going forward.

- **Unlocked:** When a blue lock icon displays next to a field it indicates that the value will be calculated by Encompass and is not open for users to enter their own values. If there is a need to override the calculation, a user with appropriate field level access to the lock (assigned by their Encompass administrator) may click the blue lock icon. This will open the field for entry and the value can be manually overridden. At this point, the gold lock icon will display next to the field, and Encompass will no longer automatically calculate the field.

Go To Field

The Go To Field option locates a field based on its field ID.

1 With a loan open on the Loan tab, press **Ctrl+G**.

2 Enter a field ID and click **Find**.

The first form on which the field is found is opened, with the field highlighted.

The Home Page

The Home Page is the first screen you see after logging in. It is a central location where you can view important information about the loans in your Pipeline. Information is contained in modules that can be configured to display a range of loan data and other business-related information. Links on the modules allow you to quickly access loan files, tools, and other resources.

Modules

Your Home Page can be configured by selecting modules that display the data you need. For example, there are modules that show loans with alerts, your appointments, industry-related news, or links to external websites. Click a link within a module to access related information. For loan data, the link typically opens the loan on the Loan tab or opens the Pipeline tab to display loans that match the criteria in the module.

Modules are arranged in three columns on the Home Page. Modules in the left and center columns are configurable. You can add, remove, reposition, or edit settings for these modules. The three modules in the right column are permanent and cannot be removed, repositioned, or edited.

Configurable Modules

The first time you log in, the Home Page displays the default modules your administrator has configured for your persona. If you have permission, you can add, remove, reposition, and edit the settings for up to 12 configurable modules that display in the left and center columns.

NOTE: The ability to add or remove modules is controlled by your administrator on the Persona settings.

To Add a Module:

1 Click the **Add Modules** link on the upper-right of the Home Page.

2 When the Add Modules screen opens, select check boxes for one or more modules, and then click the **Add Selected Modules** button in the top-right.

 NOTE: A message at the top of the Add Modules screen describes the number of modules currently on the Home Page and the number of additional modules you can select.

To Move a Module:

• To reposition a module, click the module title bar and drag it to a new location.

To Edit a Module:

1 Click the **Options** icon in the upper-right corner of the module.

2 To change the module color, click a color on the palette.

3 Or, to change the module preferences, click **Preferences**, adjust the settings, and click **Save**.

To Remove a Module:

1 Click the **Options** icon in the upper-right corner of a module.

2 Click **Remove this module**, and then click **OK** on the confirmation message.

Permanent Modules

The right column contains three modules that display product-related messages, product resources, and your account information. These modules are permanent and cannot be removed or repositioned.

• **Ellie Mae Messages** - View messages from Ellie Mae, providers of Encompass.

• **Encompass Resource Center**- Access the Encompass Resource Center for resources (including training schedules and a knowledge base) that help you learn to use Encompass; plus access to the Ellie Mae Compliance Center for viewing compliance updates to Encompass and a calendar of upcoming regulatory changes.

• **My Account** - View and access all your account information from one location. Use the My Account section to view your account and invoices, and update your billing information.

• **WebCenter Administration -** Administer your Encompass WebCenter or TPO WebCenter website and view site statistics.

• **Consumer Connect Administration -** Administer your Encompass Consumer Connect website pages, settings, and more.

• **Encompass CRM -** Manage your contacts and marketing campaign settings and emails via Encompass CRM.

System Alerts

Periodically a system alert may display in a banner that spans all three columns at the top of the tab. These alerts contain information about maintenance renewal and technical issues. System alerts are visible only if the information in the alert is relevant to the user's persona.

The Pipeline

The Pipeline is the starting point for viewing key information and initiating tasks for your assigned loans.

From the Pipeline, you can carry out the following activities. Refer to chapters 3, 4, and 9 for detailed procedures.

• Originate a Loan	• Check Alerts
• View Loan Summary	• Record Communications
• View Loan Details	• Move a Loan
• Open a Loan	• Delete a Loan
• Search for Loans	• Transfer a Loan
• Duplicate a Loan	• Import a Loan

NOTE: The activities you can perform from the Pipeline depend on the user settings defined by your system administrator.

Pipeline Views

Your view of the Pipeline depends on the user setting defined by your system administrator for your assigned persona. You can also customize your view of the Pipeline and then save your preferences for future use. Refer to "Viewing Loan Information" on page 29 for more information.

The Loan Workspace

When you originate a loan or open an existing loan, the loan workspace opens. The workspace is the focal point for tracking, managing, and carrying out loan activities.
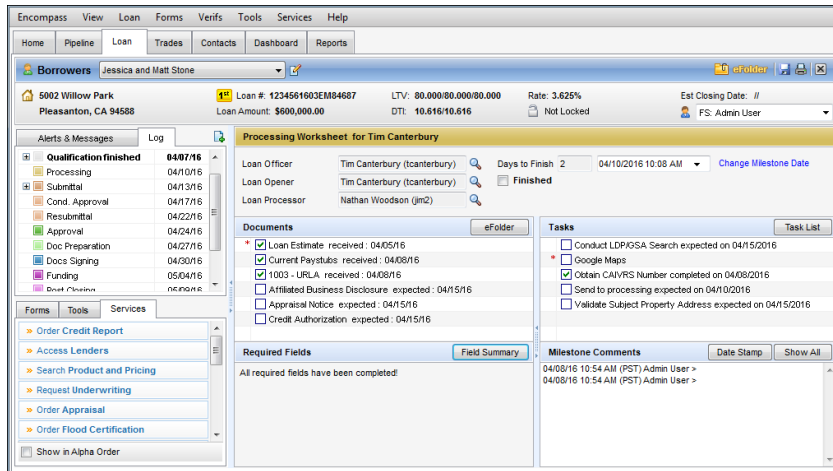
Left Panel

The left side of the workspace is divided into two sections. The upper section contains a log of loan activities, alerts, and messages. Below the Log are three tabs that provide access to input forms, loan tools, and service providers.

Right Panel

The right side of the workspace displays the input forms and worksheets used to enter data and update loan information. The header area contains a summary of key loan information, including the name of the currently-assigned loan team member. You can click the down arrow to the right of the current loan team member field to view a list of all team members associated with the loan. You can also select a name to initiate a conversation log entry as needed.

Above and to the right of the header information is the eFolder icon, used to open the Encompass eFolder.

More About the Log

The Log communicates historical, current, and future loan-related activities and events. Log entries display information such as completed and future milestones, email and phone communications, reminders of required actions (alerts), messages, and actions initiated from the eFolder.

Log Tab

The most commonly-used log entries are described here. When you add or select an existing entry, a worksheet opens containing detailed information corresponding to the type of entry selected.
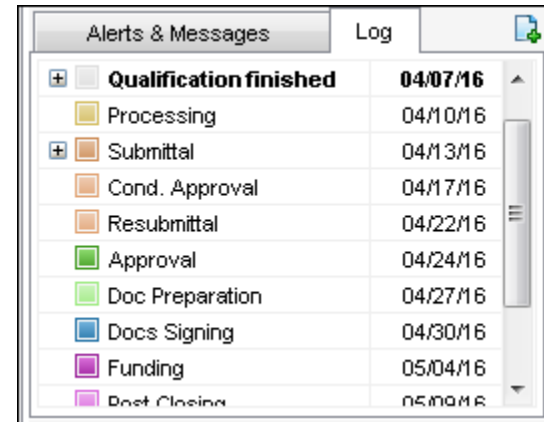
Milestone - Loan processing tasks are divided into stages by milestones. Milestone entries in the Log show the milestones that have been reached, and those that are not yet finished.

NOTE: A plus sign (+) next to a milestone entry indicates it can be expanded to show more entries related to it. Click the plus sign to expand the entry. Click the minus sign (-) to collapse the entries.

Conversation Log - These entries track interactions with the borrower, service providers, and other contacts related to the loan. When you create a Conversation Log entry, you can select options to send follow-up alerts to other loan team members.

eFolder - These entries track the ordering, expected receipt, actual receipt, and reordering of reports, verifications, conditions, and other documents needed at each processing stage.

eDisclosures Ordered and Closing Documents Ordered - An entry is added each time you generate disclosures (i.e., eDisclosures) or order closing documents. Click an entry to view each document included in the eDisclosure or

closing document package. Note that if you generate initial disclosures to send, but then cancel the process and/or do not actually send the disclosures, the *eDisclosures Ordered* entry will remain in the Loan Log.

NOTE: A Disclosure History entry is added within the Disclosure Tracking Tool only when a disclosure is sent.

Tasks - These entries track the creation and completion of tasks.
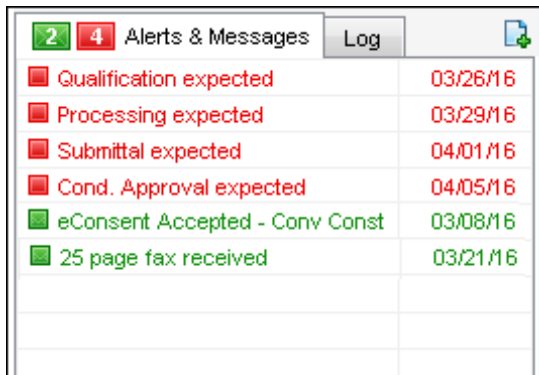
Status Online Update - These entries are created when you publish loan status updates using the Status Online feature.

Printed Documents - These entries are created when you preview or print loan documents.

Compliance Review - These entries are created after a Compliance Review loan check is performed. Click the entry to view the most recent results.

Alerts & Messages Tab
The Alerts & Messages tab displays the active alerts and unread messages for a loan (as also indicated on your Pipeline). Alerts notify you that an event has occurred, is pending, or is due. Compliance alerts notify you when a violation of RESPA, Mortgage Disclosure Improvement Act (MDIA), or RESPA-TILA regulations has occurred or when an action is required to stay compliant with these regulations. Message entries inform you when requested documents have been returned via fax from a borrower. When you clear an alert or read a message, the entry is removed from both your Pipeline and the Alerts & Messages tab.

More About Alerts
An alert is a notification that indicates an event has occurred, is pending, or is due. Alert information displays on the Pipeline and the Alerts & Messages tab in the Log.

To view details of the alerts associated with a loan, click the **Alert** icon on your Pipeline. The alert remains in effect until the required action is taken.

NOTE: The timing of when an alert displays, and whether or not it displays on the Pipeline, is defined by your system administrator. If a loan has an adverse status, existing alerts are not shown on the Pipeline. The alerts still exist, and can be seen and responded to from the Alerts & Messages tab in the Log.

*NOTE: To reduce loading time and improve performance, **Alert** icons do not display in the **All Folders** and **(Archive)** folders on the Pipeline.*

Milestone Expected
Milestone Expected alerts notify users of pending milestones. These alerts display on the Pipeline, Log, and the top of the milestone worksheet (the top of the worksheet displays in red). When you record the achievement of a milestone on the milestone worksheet or update the Days to Finish field, the corresponding entry in the Log reflects the completion or update. The completion date is used to calculate the expected completion of future milestones.

Milestone Finished
Milestone Finished alerts are triggered when a milestone is completed, notifying the loan team member responsible for completing the next milestone that the milestone has been completed. These alerts display on the Pipeline, Log, and the top of the milestone worksheet (the top of the worksheet displays in red). The alert is cleared when the loan team member clicks the **Accept File (Clear Alert)** button on the milestone worksheet.

Document Expected and Document Expired
Document alerts notify users of the status of ordered and received documents. When you begin managing a document you can change the default dates if needed.

Document alerts display on the Pipeline and the Log. In the Log, an entry is created showing the expected receipt date. This entry changes to red text if the document becomes past due. If a received document expires, a new entry replaces the expected receipt date in the Log.

eFolder Update
eFolder Update alerts notify specific loan team members about updates made to documents or conditions. When managing a document in the Document Details window or a condition in the Condition Details window, loan team members can add comments (in the Tracking section) related to the document or condition. When adding a comment, they can also send an eFolder Update alert to the loan officer, loan processor, or closer assigned to the loan file to notify them of the update. eFolder Update alerts display in the Pipeline and on the Alerts & Messages tab in the Log for the selected loan team member. Clear these alerts by opening the document or condition related to the alert, click the **Comments** tab

located in the Tracking section of the Document Details or Condition Details window, and then click to view the comment entered by the loan team member who sent the alert.

Conversation Log Follow-up

Conversation Log alerts notify loan team members of required follow-up actions. These alerts are based on information entered in the Follow Up section on the Conversation Log worksheet.

Conversation Log alerts display on the Pipeline, Log, and the top of the Conversation Log list for the selected loan team members. In the Log, the follow-up entry (with red text) is created when the Conversation Log entry is created.

Task Expected and Task Follow-up

Task alerts notify the loan team member of required expected and follow-up actions. These alerts are based on information entered in the Status and Follow Up sections on the Task worksheet. The alert entry displays in the Log for the selected loan team member as appropriate. When the follow-up date is reached, the entry changes to red text and the alert also displays on the Pipeline. Clear the alert by selecting a Followed up on date or by updating the to follow up on date.

Preliminary Condition Expected

These alerts are generated when a preliminary condition is pending. Preliminary Condition alerts are based on information entered in the Tracking section of the Preliminary Condition Details window (specifically, the Days to Receive field in the eFolder). The alerts display on the Pipeline, Log, and the top of the milestone worksheet with which the condition is associated (the top of the worksheet displays in red).

Underwriting Condition Expected

These alerts are generated when an underwriting condition is pending. Underwriting Condition alerts are based on information entered in the Tracking section of the Underwriting Condition Details window (specifically, the Days to Receive field in the eFolder). The alerts display on the Pipeline, Log, and the top of the milestone worksheet with which the condition is associated (the top of the worksheet displays in red).

Post Closing Condition Expected

These alerts are created when a post closing condition is pending. Post Closing Condition alerts are based on information entered in the Tracking section of the Post-Closing Condition Details window (specifically, the Days to Receive field in the eFolder). The alerts display on the Pipeline, Log, and the top of the milestone worksheet with which the condition is associated (the top of the worksheet displays in red).

Registration Expiration

Registration Expiration alerts notify loan team members of the expiration of a loan that was registered with an investor (Field ID 2824). Registration Expiration alerts display on the Pipeline and the Log.

Rate Lock Requested

Rate Lock Request alerts are created using the Lock Request tool. When a loan officer submits a lock request for an unlocked loan to the lock desk, a **Lock Request** icon is displayed on the Pipeline. When the loan rate is locked and the loan officer is notified, the Lock Request icon is replaced by a blue **Lock** icon.

When a loan officer submits a lock request for a loan that is already locked, a **Locked Loan Lock Request** icon displays on the Pipeline. The alerts also display on the Log and in the header above the work area in the loan file. Click the **Lock** icon to view additional details.

Rate Lock Confirmed

Rate Lock Confirmation alerts are created when a loan rate is locked by the lock desk, and confirmation is sent to the requester (typically the loan officer). The Lock Request icon is replaced by a blue **Lock** icon. The alert displays on the Pipeline, Log, and in the header above the work area in the loan file.

Rate Lock Request Denied

Rate Lock Request Denied alerts are created when a rate lock request is denied by the lock desk. When a request is denied, the Buy Side and Sell Side components of the request are cleared and the Lock Request icon is removed. The alert displays on the Pipeline and the Log.

Rate Lock Expired

Rate Lock Expiration alerts notify loan team members of the expiration of a rate lock. The alert is created when the date in the Lock Expires field on the Borrower Summary form is met. At this point, the blue Lock icon changes to red, and the number of days remaining (if any) displays beneath the icon. Rate Lock Expiration alerts display on the Pipeline, Log, and in the header above the work area in the loan file. You can clear this alert by updating the Lock Expires date.

Rate Lock Extension Requested

Rate Lock Extension Request alerts are generated using the Lock Request tool. When a loan officer submits a request to extend a rate lock, a **Lock Extension Request** icon displays on the Pipeline.

NOTE: *When a lock is extended and then re-locked, a different icon displays on the Pipeline to distinguish between a pending new lock request on extended loans and a pending lock extension request.*

When the loan rate is locked and the loan officer is notified, the Lock Extension Request icon is replaced by a blue Lock icon. The alerts also display on the Log and in the header above the work area in the loan file.

Rate Lock Cancellation Request

Rate Lock alerts are generated using the Lock Request Tool. When a loan officer submits a request to cancel a lock, a **Lock Cancellation Request** alert displays on the Log.

Rate Lock Cancelled

Rate Lock Cancelled alerts are generated using the Secondary Registration tool. When the lock desk cancels a lock, a Lock Cancellation icon displays on the Pipeline. The alert also displays on the Log and in the header above the work area in the loan file.

Borrower Payment Past Due

Payment Past Due alerts notify loan team members that an interim servicing payment is past due. The alerts displays on the Pipeline and the Interim Servicing Worksheet.

Statement Printing/Mailing Due

These alerts notify loan team members of the requirement to send a mortgage statement to the borrower (based on the printing/mailing due date on the Servicing screen on the Settings window). The alerts display on the Pipeline and the Interim Servicing Worksheet.

Escrow Disbursement Due

These alerts are created when an escrow disbursement is pending or due. The alert displays on the Pipeline and the Interim Servicing Worksheet.

Purchase Advice Form Does Not Balance

These alerts are created when the values in the Purchase Advice Form's Amount Paid and Amount Due fields are not equal. The alerts display on the Purchase Advice Form and on the Pipeline.

Shipping Due

Shipping Due alerts notify loan team members of a pending or past due investor delivery date (Field ID 2012 on the Shipping Detail form). The alerts display on the Pipeline and the Shipping Detail.

Compliance Review

Compliance Review alerts notify loan team members when a compliance review report has been ordered for a loan and includes the results of the review, Pass or Did Not Pass. The alerts display on the Pipeline and on the Alerts & Messages tab and the Log tab in the Loan Log. Click the alert on the Alerts & Messages tab to view the compliance review report. Click the alert on the Log tab to open the report using the eFolder where you can view and modify the report and report details.

Rate Lock Removed from Correspondent Trade

When a loan is removed from a correspondent trade, a confirmation entry is added to the Loan Log along with a Rate Lock Removed from Correspondent Trade alert on the Alerts & Messages tab in the Log. The Log entry provides the date and time of the request and completion, and basic loan information. To view

alert details, click the alert on the Log's Alerts & Messages tab. To clear the alert after viewing alert details, click the Clear Alert button in the upper-right of the alert screen.

Key Pricing Fields

Using the Key Pricing Fields alert, the administrator can create a list of key pricing fields and then set up the alert to trigger any time a loan is saved and the value in one of these fields has been updated since the loan's rate was locked. By default, the key pricing fields are: Total Loan Amount (field ID 2), Subject Property Estimated Value (field ID 1821), Subject Property Appraised Value (field ID 356), Subject Property State (field ID 14), Subject Property County (field ID 13), Credit Score for Decision Making (VASUMM.X23), Loan Term (field ID 4), Amortization Type (field ID 608), Loan Purpose (field ID 19), Loan Type (field ID 1172). These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. To view alert details, click the alert in the Log. If the alert triggers, it will be automatically cleared the next time a lock confirmation occurs.

Redisclose REGZ-TIL (APR Change) (Mortgage Disclosure Improvement Act (MDIA))

In accordance with MDIA provisions, Redisclose REGZ-TIL alerts are generated when there is a difference between the value in the Disclosed APR (Field ID 3121 on the REGZ-TIL and Closing REGZ forms) and the Current APR field (Field ID 799 on the REGZ-TIL and Closing REGZ forms) greater than .125% (for conventional loans; for ARM loans this alert is generated when the difference between the two APR values is greater than .25%). The alert notifies loan team members that the new APR should be disclosed to the borrower. The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and both REGZ forms, as well as in a pop-up window when you save the loan.

- Your system administrator can set this alert to generate for ARM loans when the difference between the two APR values is greater than .125%.

Closing Date Violation (MDIA)

To comply with MDIA provisions, a Closing Date Violation alert is generated when the loan's Estimated Closing Date (Field ID 763 on the Borrower Summary) precedes the loan's Earliest Closing Date (Field ID 3147 on the Disclosure Tracking tool). The alert displays on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.

Send Initial Disclosures (Real Estate Settlement Procedures Act (2010 RESPA and 2015 RESPA-TILA)

- **2010 RESPA-TILA -** According to RESPA, the loan originator must provide the initial GFE and REGZ-TIL to the borrower within three days of receiving the loan application. The Send Initial Disclosure alerts are generated when all of the alert's trigger fields have been populated. By default, these fields include Borrower First Name (Field ID 4000), Subject Property Address (Field ID 11), Loan Amount (Field ID 1109), and other fields used to complete

the loan application. View the Send Initial Disclosures alert in the Alerts settings tool for a full list of Field Triggers. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Initial disclosures must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar settings.)

- **2015 RESPA-TILA -** This alert operates with the Loan Estimate (LE) the same way in which the alert operates with the 2010 GFE form. According to RESPA-TILA, the loan originator must provide the initial LE to the borrower within three days of receiving the loan application. The Send Initial Disclosures alerts are generated when all of the alert's trigger fields have been populated. By default, these fields are: Borrower First Name (field ID 4000), Borrower Last Name (field ID 4002), Borrower SSN (field ID 65), Total Monthly Income (field ID 736), Subject Property Address (field IDs 11, 12, 14, 15), Subject Property Estimated Value (field ID 1821), and Loan Amount (field ID 1109). These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Initial disclosures must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar settings.) To clear this alert, the LE Sent Date (field ID 3152) must be populated. This field is populated automatically when the LE is initially disclosed.

- **Send Initial Disclosures Alert for Settlement Service Providers List -** In addition to the triggers for the 2015 RESPA-TILA alert discussed above, the Send Initial Disclosures Alert may be triggered if the Loan Estimate and the Settlement Services Provider List (SSPL) are required to be disclosed. The alert is cleared when the SSPL Sent Date (field ID 4014) is populated. This field is automatically populated when the SSPL is disclosed and a tracking entry is included in the Disclosure Tracking tool's Disclosure History table.

eSign Consent Not Yet Received (2015 RESPA-TILA)
This alert is intended to notify you when you have not yet received consent to receive electronic disclosures from all applicable parties. This helps ensure you receive eSigning consent before sending the disclosures electronically. View the eSign consent status by clicking the **Lookup** icon (magnifying glass) for the eSign Consent field on the Disclosure Tracking Tool.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. If the eSign Consent Status for any borrower / co-borrower on the loan is not indicated as *Accepted* this alert is triggered. This alert is triggered at the same time as the Send Initial Disclosures alert. To clear the alert, the eSign Consent Status must be set to *Accepted* for all borrowers and co-borrowers on the loan.

GFE Expires (2010 RESPA)
RESPA states that if a borrower does not express intent to continue with an application within 10 days of receiving the GFE, the loan originator is no longer bound by the GFE. The GFE Expires alert notifies you that the GFE Expiration Date (Field ID 3140 on the 2010 GFE) is near and the loan's rate has not been locked. The days before the expiration date value set up in the Alert Settings determines exactly when the alert displays. The GFE Expiration Date must be a minimum of 10 days from the Initial GFE Sent Date (Field ID 3148 on the Disclosure Tracking tool. (Days are determined by the Our Company Calendar settings.) The alert displays in the Pipeline, the Alerts & Messages tab in the Log, and the 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan.

Loan Estimate Expires (2015 RESPA-TILA)
The Loan Estimate Expires alert notifies you that the Closing Cost Estimate Expiration Date (field ID LE1.X28 on the LE Page 1) is near and the Intent to Proceed check box (field ID 3164) has not been selected on the Loan Estimate Page 1. The d**ays before the expiration date value** set up in the Alerts settings determines exactly when the alert displays. The LE's expiration date must be a minimum of 10 days from the LE Sent Date (Field ID 3152 on the Disclosure Tracking tool). When the alert is generated, the Encompass user receives an alert with the following message:

The Loan Estimate has expired because the Intent to Proceed was not received within 10 business days from the LE Issued Date.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Clear the alert by selecting the Intent to Proceed check box on the Loan Estimate Page 1.

Redisclose GFE (Rate Lock) (2010 RESPA)
Under RESPA regulations, if a rate lock changes after the initial GFE is provided, a revised GFE must be sent to the borrower within three days of the changes. These Redisclose GFE alerts are generated when the Rate Locked Date (Field ID 761) is later than the Last Sent Date (Field ID 3137) on the 2010 GFE. In other words, the rate was locked after the 2010 GFE was initially disclosed. The alert displays on the Pipeline, Log, and 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan. (Days are determined by the U.S. Postal Calendar settings.)

Redisclose GFE (Changed Circumstances) (2010 RESPA)
Under RESPA regulations, if circumstances have changed since the initial GFE was provided, a revised GFE must be sent to the borrower within three days of the changes. These Redisclose GFE alerts are generated when the Changed Circumstance check box (Field ID 3168) is selected on the 2010 GFE. The Changes Received Date field (Field ID 3165 on the 2010 GFE) is populated with the current date. The alert displays on the Pipeline, the Alerts & Messages tab in

the Log, and 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan.   (Days are determined by the U.S. Postal Calendar settings.)

Redisclose Loan Estimate (Changed Circumstance) (2015 RESPA-TILA)

Under RESPA-TILA regulations, if circumstances have changed since the initial Loan Estimate was provided, a revised Loan Estimate must be sent to the borrower no more than three business days after the changed circumstance is received. The alert is triggered when the Changed Circumstance check box (field ID 3168) on the Loan Estimate Page 1 is selected and the current date is populated to the Changes Received Date (field ID 3165) on the Loan Estimate Page 1. By default, the alert is triggered three days before the Redisclose Due Date (field ID 3167).The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and in a pop-up window when you save the loan. (Business days are determined the Our Company Calendar settings.)

HUD-1 Tolerance Violated (2010 RESPA)

To comply with RESPA tolerance regulations, these alerts are generated when there is a discrepancy between any of the GFE and HUD-1 values in the Charges that Cannot Increase section of the 2010 HUD-1 Page 3 form OR when the total of the Increase between GFE and HUD-1 Charges (Field ID NEWHUD.X315) on the 2010 HUD-1 Page 3 form is more than 10%. The alerts display on the Pipeline, the Alerts & Messages tab in the Log, and at the top of the 2010 HUD-1 Page 3 page (the top of the page displays in red).

Ability-to-Repay Loan Type Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Ability-to-Repay Loan Type (field ID QM.X23) has not been indicated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Qualified Mortgage Type Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB taking effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Qualified Mortgage Loan Type (field ID QM.X24) has not been indicated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

QM Safe Harbor Eligibility Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the *Is Loan Eligible for Safe Harbor?* field (field ID QM.X25) has not been populated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Residual Income Assessment Recommended (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Ability-to-Repay Loan Type (field ID QM.X23) is *Qualified Mortgage*, but it is not eligible for Safe Harbor (field ID QM.X23) OR the Ability-to-Repay Loan Type is *General ATR*. This alert recommends a residual income assessment. As the CFPB has not issued official guidelines or requirements for residual income, this alert is a recommendation only and does need to be addressed or cleared in order for the loan to qualify as a qualified mortgage. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

General QM DTI Exceeded (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the loan's Debt-to-Income (DTI) ratio (field ID QM.X119) exceeds the limit for a General Qualified Mortgage. CFPB states DTI must be less than or equal to 43% to meet General QM standard. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

General QM Loan Feature Violation (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when loan repayment data does not meet the standards for a General Qualified Mortgage. The data entered in the *Interest Only* (field ID 2982), *Prepayment Penalty Period* (field ID RE88395.X316), *Prepayment Penalty* (field ID QM.X112), and *The result of Points & Fees Test does not exceed the threshold for Qualified Mortgages* (field ID (QM.X124) fields on the ATR/QM Management form's Qualification tab and the *Even if you make pmts on time, can your loan*

balance rise (field ID NEWHUD.X6) and *Does your loan have a balloon payment* (field ID 1659) fields on the Loan Estimate Page 1 can trigger this alert. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Ability-to-Repay Exemption Reason Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when an ATR/QM Exemption Eligibility option has not been indicated at the bottom of the ATR/QM Management form's ATR/QM Eligibility tab. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

AUS Data Discrepancy (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", these alerts are generated when the information in the loan file does not match the last set of values used by an Automated Underwriting System (AUS) to make an underwriting decision. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Redisclose Closing Disclosure (Changed Circumstance) (2015 RESPA-TILA)

Under RESPA-TILA regulations, if circumstances have changed since the initial Closing Disclosure was provided, a revised Closing Disclosure must be sent to the borrower. The revised Closing Disclosure must be sent within three days of the changes. These Redisclose Closing Disclosure alerts are generated under the following conditions: when the CD Changed Circumstance check box (field ID CD1.X61) is selected, the Changes Received Date field (field ID CD1.X62) is populated (which occurs automatically when the Changed Circumstance check box is selected), and Change in Settlement Charges (field ID CD1.X55), Changed Circumstance - Eligibility (field ID CD1.X68), Revisions requested by the Consumer (field ID CD1.X66), Interest Rate dependent charges (Rate Lock) (field ID CD1.X67), Tolerance Cure (field ID CD1.X57), Clerical Error Correction (field ID CD1.X58), or Other (field ID CD1.X59) is then selected as the reason for the changed circumstance. The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and in a pop-up window when you save the loan. (Business days are determined by the Our Company Calendar settings.)

Redisclose Closing Disclosure (APR, Product, Prepay) (2015 RESPA-TILA)

This alert will be generated when a prepayment penalty is added, the loan product is changed, or the current APR differs from the Disclosed APR by more than 0.125% (0.25% for irregular loans) and the Closing Disclosure (CD) may need to be redisclosed as a result. The trigger fields are:

- Trans Details Disclosed APR (field ID 3121) - Alert is triggered when the Current APR (field ID 799) differs from the Disclosed APR (field ID 3121) by more than 0.125% (0.25% for irregular loans) or custom percentage

- Product Description (LE1.X5) - Alert is triggered when the current Loan Product (LE1.X5) on the CD Page 1 is different than the Loan Product indicated on the last disclosure

- Prepayment Penalty (675) - Alert is triggered if Yes is currently indicated for this field on the CD Page 1 and No was indicated in the last disclosure

- Last CD Sent Date (CD1.X47) - The date the CD was last disclosed.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. To clear this alert, redisclose the CD or resolve the data in the trigger fields.

- **Good Faith Fee Variance Violated-** This alert is generated when there is a variance between the LE and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X345) of the Fee Variance Worksheet or when there is a variance between the CD and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X347) on the worksheet. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.
  - Click the alert icon or indicator to view the alert details, including each applicable fee that was changed, and clear the alert. When viewing the alert details, the following fee details are displayed (below the Trigger Fields section) that provide the following information. Here you can enter fee change details about each fee at a granular level:
    - **Applies To -** At the top of this section, select LE or CD from the Applies To drop-down list to indicate the form (LE or CD) where these fee change details will be applied.
    - **Changes Received Date -** Will auto-populate with today's date and reflects the same date used for this field on the LE Page 1 and CD Page 1
    - **Revised LE Due Date or Revised CD Due Date –** In the Fee Details section, you can indicate if the fee change was made on the LE Page 1 or CD Page 1. Depending on the disclosure (as indicated by the selection in the Applies To field), this field will refer to the LE due date or CD due date accordingly. This is read-only field, calculated by the Encompass system.
    - **Description -** Description of the Changed Circumstance (click the **Lookup** icon (magnifying glass) to select the changed circumstance from the list).
    - **Comments -** Comments related to the Changed Circumstance
    - **Reason –** Select the reason for the change from the drop-down list. There can only be one reason for each fee. This drop-down list provides the same list of reasons that is provided on the LE Page 1 and CD Page 1. Some reasons apply only to the LE, some apply only to the CD, and some apply to both. If LE is selected for the Applies To field, only reasons that apply only to the LE or LE and CD will be displayed in the list. If CD is selected for the Applies To field, only reasons that apply only to the CD or the LE and CD will be displayed in the list.
  - These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. To clear this alert, the amounts in the **Variance between...** fields (field ID FV.X345 and FV.X347) can be updated to remove the variance amount from the Fee Variance Worksheet or you can redisclose the LE or CD with a Change of Circumstance selected that causes the Variance Worksheet LE or CD Baseline to be updated, thereby removing the variance amount.

VA Discount Charge Violation
This alert triggers when the % Discount (field ID VARRRWS.X9) on the VA 26-8923 Rate Reduction WS input form exceeds the 2% maximum allowed by the VA.

Positive Aggregate Escrow Adjustment
Due to the calculations of single line analysis for biweekly escrows, certain scenarios can result in the calculation of a positive aggregate escrow adjustment. The Positive Aggregate Escrow Adjustment notifies the user if this scenario occurs on the loan level. While the positive aggregate adjustment calculation is technically correct, an investor or regulator might not approve purchasing a loan with a positive aggregate adjustment. The alert informs the Encompass user that a positive adjustment exists and suggests the user either move a portion of the escrow items to prepaid (section 900 on the 2015 Itemization) or click the **Lock** icon for the Aggregate Adjustment amount (field ID 558) to accept and retain the positive number. The alert triggers when the Aggregate Adjustment amount (field ID 558) is greater than **0**. A link on the alert opens the 2015 Itemization input form at the Aggregate Escrow field on line 1011. The alert clears when the Aggregate Adjustment amount (field ID 558) is locked or when the field recalculates to be equal to or less than 0.

Credit Limit Required
This alert is triggered when the Credit Limit (field ID FL*xx*31) is blank, the Account Type (field ID FL*xx*08) is **HELOC** and the **Will be Paid Off** check box (field ID FL*xx*18) is not selected.

Current and Proposed Lien position required if Resubordinated
This alert is triggered when the Current Lien Position (field ID FL*xx*28) or Proposed Lien Position (field ID FL*xx*29) are blank, but the **Resubordinated Indicator** check box (field ID FL*xx*26) is selected.

Current and Proposed Lien position required if Subject Property
This alert is triggered when the Current Lien Position (field ID FL*xx*28) or Proposed Lien Position (field ID FL*xx*29) are blank, the **Subject Property** check box (field ID FL*xx*26) is selected, and the **Will be Paid Off** check box (field ID FL*xx*18) is not selected (regardless of resubordinated).

Custom Alert
The system administrator can create custom alerts that will be triggered under the following circumstances:
  - When a date is entered in a specific date field or on a specific day before or after the date that is entered in the date field
  - When a specific value is entered in a field
  - When a value that is entered in a field falls between a specific value range
  - When a combination of the previous circumstances occurs

These alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Notifications

A notification is a pop-up message that displays when an event occurs.

To view notification details, or open the loan with which the notification is associated, click the link in the notification. If you do not click the link, the notification disappears after three seconds. The information in the notification remains available on your Pipeline and on the Alerts and Messages tab in the Log. Click the **Alert** or **Message** icon associated with the loan to view notification details.

When are Notifications Displayed?

Notifications are triggered by alerts or when you receive a message. Notifications display in the lower-right corner of your screen any time Encompass is open.

A notification will display when one of the following events occurs:

Alerts

NOTE: Whether or not a notification displays for milestone or rate lock events is determined by your system administrator on the Alerts setting tool.

Milestone Finished - When a milestone is finished, the loan team member assigned to the next milestone receives a notification.

Rate Lock Requested - When a loan officer submits a lock request for an unlocked loan to the lock desk, one or more loan team members receive a notification.

Rate Lock Request Confirmed - When a loan rate is locked by the lock desk, one or more loan team members receive a notification.

Rate Lock Request Denied - When the lock desk denies a lock request, one or more loan team members receive a notification.

Messages

Borrower Documents Available - A notification displays when documents you have requested from a borrower have been returned. The associated message displays on the Alerts & Messages tab for the loan and on the Pipeline.

Loan File Transferred - A notification displays when a loan file has been transferred to you. The associated message icon displays to the left of the Loan Mailbox link on the top-right of your Pipeline.

New Application Submitted - When an applicant submits a loan application using a WebCenter or Encompass Consumer Connect site, the assigned loan application recipient receives a notification. The associated message icon displays to the left of the **Loan Mailbox** link on the top-right of your Pipeline.

New Leads Available - A notification displays for the assigned user when new leads are available in the Lead Center. The associated message icon displays on the **Buy Leads** button on the Borrower Contacts tab.

eDisclosure Package Notifications - If enabled, a green pop-up notification displays for all loan team members who have access to view and/or edit a loan under the following circumstances:

- When the borrower accesses the eDisclosure package
- The borrower fails to accept the eDisclosure package within a specified timeframe
- The borrower declines to receive the package electronically (i.e, rejects the terms of the eDisclosure Agreement)
- The borrower accepts the eDisclosure package (i.e., accepts the terms of the eDisclosure Agreement)
- The borrower views and signs the documents electronically (eSigns)
- The borrower's loan documents have been uploaded
- The eDisclosure package has been converted to wet sign (a paper copy must be signed and returned by mail or fax)
- The eDisclosure Fulfillment Service package is fulfilled (i.e., printed and shipped)

NOTE: If the loan originator is required to eSign a document in the eDisclosure package, they will receive a notification. Only the loan originator will be able to view and clear this notification.

User Roles

Roles carry out loan tasks at each step (milestone) in the processing of a loan. For example, when a loan reaches the Processing milestone, it is assigned to the loan team member who will fulfill the Processor role. When tasks at the Processing milestone are complete, the Processor will then assign the loan to the loan team member who is fulfilling the Underwriting role.

Role Definitions

Your system administrator creates role definitions and assigns roles to milestones. The default roles shipped with Banker Edition are as follows.

Loan Officer (LO) - Develops business, originates and qualifies loans.

Loan Opener (OP) - Reviews and prepares loan for processing.

Loan Processor (LP) - Gathers information and prepares the loan for submission.

Underwriter (UW) - Analyzes and approves, or rejects, the loan.

Closer (CL) - Manages the closing process.

Lock Desk (LD) - Reviews loan lock request and locks loan rate.

Funder (FN) - Manages the funding process.

Post Closer (PC) - Confirms all documents are completed and generated.

Shipper (SH) -Delivers signed document package to the investor.

Archiver (AR) -Archives loan documents for the future retrieval.

Accounting (AC) -Manages financial documents.

Quality Control (QC) - Reviews loan files for compliance with underwriting, documentation, and servicing requirements.

Servicer (SV) -Services the loan.

Public and Personal Resources

You can maintain public and personal versions of reports, custom letters, custom forms, print groups, contacts, and templates. Public resources are provided by your company, whereas personal versions are created and maintained by individual users.

NOTE: Public borrower contacts are available for viewing only by users above the contact owner in the organization hierarchy.

Implementation

Public and personal resources (other than contacts) are managed and organized through the use of public and personal folders. The first time you work with a resource type (such as form groups), open the appropriate folder before proceeding to work with a specific resource.
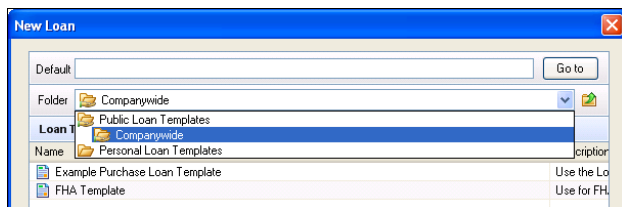
*NOTE: Contacts are not displayed in folders. You can view personal or public contacts using Advanced Search options on the **Contacts** tab.*

Address Book

Use the Address Book to select a contact from your business contacts, and then add the contact to a form. The Address Book allows you to access the same business contact information that is accessible from the Contacts tab or the Business Contacts tool.

You can also manually add a business contact to a form, and then open the Address Book to add the contact to your business contacts.

NOTE: When you use the Address Book to select and add business contacts to your loans, you ensure consistent, complete, and accurate contact information in the loan file. This improves the accuracy of data on the Dashboard and in Reports.

TIP: Access to the Address Book is indicated by the Address Book icon.

To Add a Business Contact to a Form:

1 Open the Address Book in one of two ways:

- Click an **Address Book** icon on a form. For example: the icon next to the Underwriting Fee field on the Loan Estimate. The Business Contacts window opens, displaying contacts for the category that corresponds to the field.

- Right-click in a field associated with an **Address Book** icon. The Business Contacts window opens, displaying contacts for the category that corresponds to the field. If there is no category associated with the field, all contacts are displayed. Select a contact from the list and click **Select**.

2 Select a contact from the list and click Select.

- The contact is placed on the form.

To Add a Business Contact from a Loan Form:

1 Enter the contact information on a loan form.

2 Right-click the contact field or click the **Address Book** icon.

3 When the Address Book opens, click **Create New and Select** to add the contact information as a new business contact.

NOTE: Refer to "Business Contacts" on page 390 to learn to search for, add, edit, and delete business contacts.

Instant Messenger

Use the Instant Messenger to send instant messages to other logged-in users.

NOTE: By default, the Instant Messenger is disabled. Your system administrator must enable this feature before you can access it.

Preparing to Use the Instant Messenger

Before you can send a message, you must add contacts to your Messenger List. Each contact must also approve your request to be added to your Messenger List.

TIP: *In order to send messages to other users, you must be logged-in to the same server.*

To Add a Group:

1 On the menu bar, click **Encompass**, and then click **Instant Messenger** to open the Instant Messenger.

2 Click **Contacts**, and then click **Create New Group**.
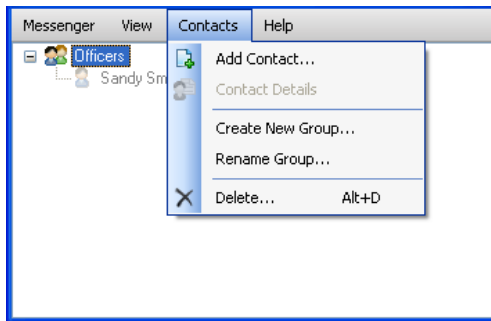
3 Enter the name of the group and click **OK**.

To Add a Contact:

1 Open the Instant Messenger.

2 If you have created groups, select a group to which to add the contact.

3 Click **Contacts**, and then click **Add Contact**.

4 Enter the contact's User ID.

5 In the Add to group field, leave the current group name, click a group on the list, or enter a new group name.

6 Enter a First Name and Last Name to display in your Messenger List (optional).

7 Enter a message to send with the contact's approval request (optional).

8 Click **OK**.

- A message is sent to the contact requesting the contact's approval to be added to your Messenger List.

To Approve a Request:

The Add Contact Request window automatically opens when a request is sent.
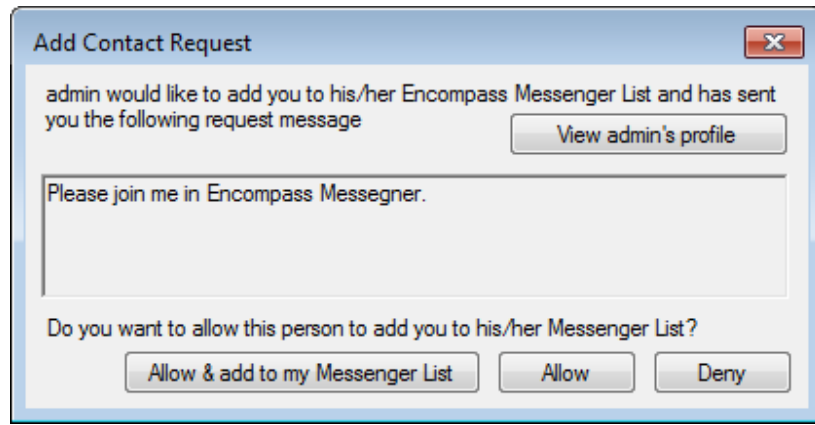
The recipient of the request selects one of the following options:

• **Allow & add to my Messenger List**: to approve the request and add the requester to your Messenger List.

• **Allow**: to approve the request.

• **Deny**: to deny the request.

Sending an Instant Message

You can send an Instant Message to any of your contacts who are logged in to the same server.

To Send a Message:

1 Open the Instant Messenger and double-click a logged-in contact.

• If an contact is not logged in, the contact name appears dimmed.

2 On the bottom panel of the To window, enter a message, and then click **Send**.

• Your message displays in the upper panel where your conversation with the contact will be recorded. A window also opens on the desktop of the contact to whom you sent the message.
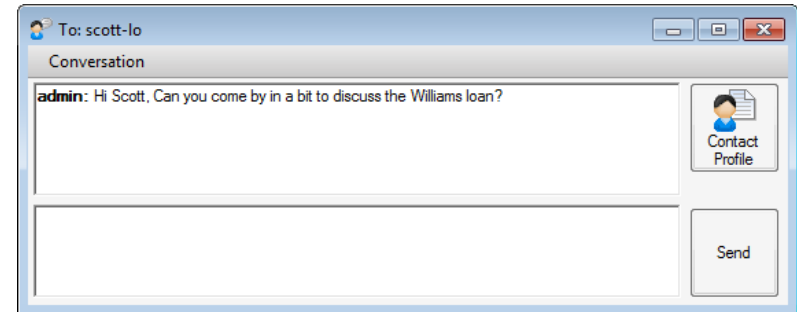
Chapter 3

Originating and Viewing Loans

This chapter describes how to originate loans and view loan information.

Loan Origination Overview

There are four ways to originate a loan: from the Pipeline, from the Contacts tab, by duplicating an existing loan, and by duplicating an existing loan to create a second loan.

Use the **Duplicate Loan** feature to save data entry time when originating a new loan for the same borrower. Only the data from loan forms is duplicated. Data such as Log records and milestones are not duplicated.

NOTE: Refer to the online help for details on the specific fields that are affected when you duplicate to create a second loan, and also how to use this feature in conjunction with the Piggyback Loan tool.

About Loan Templates

When you originate a loan from the Pipeline or the Contacts tool, you can apply a predefined loan template. Applying a template saves time and improves the accuracy of loan information by populating loan forms with data such as predefined closing costs and loan terms.

Components of a Loan Template

Each loan template is comprised of one to six components that are separately maintained. The components are used in different combinations to create each loan template.

Document Sets - A set of documents used for the processing of different loan scenarios (such as conventional or VA), or to meet the requirements of entities such as lenders or government agencies.

Input Form Sets - A set of the input forms that displays on the forms list in the loan workspace.

Settlement Service Providers - A predefined list of providers used to populate the Settlement Service Providers List form.

Data Templates- A set of default loan data that is automatically populated on loan forms when a loan is created.

Loan Programs - A set of predefined loan terms and properties that appears primarily on the Truth-In-Lending Disclosure statement and the 1003 application.

Closing Costs - A set of predefined closing costs that appears primarily on the Loan Estimate statement and the 1003 application.

Task Sets - A set of milestone-specific tasks that are completed during the loan's workflow.

NOTE: For detailed information on creating and managing loan templates, refer to the online help and Chapter 10, "Loan Templates," in the Encompass Installation and Administration Guide.

Selecting a Loan Template

When you originate a loan from the Pipeline, the New Loan window opens.
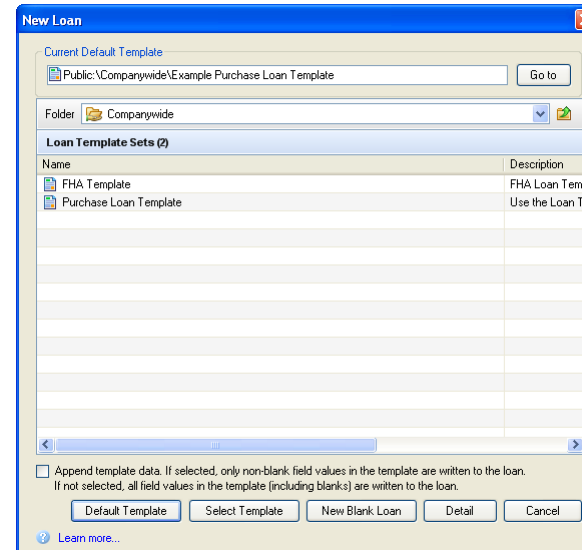
To Use the New Loan Window:

- Click **Default Template** to use the template shown in the Current Default Template field at the top of the window.
- Click **Select Template** to use the template selected in the template list.
- Click **New Blank Loan** to originate the loan without using a template.
- Click **Detail** to view the components of the selected template.

NOTE: If you apply a loan template that contains data from more than one template component, data will be applied to the loan file from the Data Template first, then the Loan Program template, and lastly the Closing Costs template. Data from a template, including blank fields, will overwrite the data applied from the previous component. If you select the Append template data check box, data from a template will overwrite the data applied from the previous template. However, previously applied data will not be overwritten by blank values.

Originating a Loan

Use one of the following procedures to originate a loan.

To Originate a New Loan from the Pipeline:

1 On your Pipeline, click the **New** icon.

2 In the New Loan window, select a template and click **Select Template.**

• Or click **Default Template** to use the default template.

• Or click **New Blank** Loan to start the loan without applying a predefined template.

To Originate a New Loan from the Contacts Tab:

1 On the Contacts tab, click the **Borrower Contacts** tab, select a borrower, and then click **Originate Loan**.

2 On the **Contact Details** section of the screen, click the **Originate Loan** button.

• If you made any changes to the Contact Details without saving them, a pop-up message displays and the changes are automatically saved. Click **OK** to continue.

• If a loan is currently open on the Loan tab, a pop-up message displays. Select a save option, and then click **OK**.

• If the contact is already linked to an active loan, the Existing Loan window displays. Select the active loan and then click Select to open the loan or click **Create New** to start a new loan.

NOTE: The information on the Opportunity tab is also copied to the new loan.

3 On the Originate Loan window, optionally click **Add Co-Borrower** to select a co-borrower from the list of borrower contacts if needed, and then click **Done**.

4 On the Loan Template section, click **Select Template** to apply a template to the loan.

5 On the **New Loan window**, select a folder where the template is located.

6 Select the **Append template data** check box if you want only non-blank fields in the template to be written to the loan.

7 Select a loan template and click **Select Template**.

• Or click **Default Template** to use the default loan template.

• Or click **New Blank Loan** to start the loan without applying a predefined template.

NOTE: If you do not select a template, the loan will be blank except for the information from the Details and Opportunity tabs.

8   On the Loan Folder section of the Originate Loan window, select a loan folder for the loan.

9 Click **Continue** to create the loan.

To Duplicate a Loan:

1 Right-click a loan on your Pipeline.

2 Click **Duplicate Loan** from the shortcut menu.

3 On the Duplicate Loan window, select **Duplicate the selected loan** or **Create a second lien using the data**.
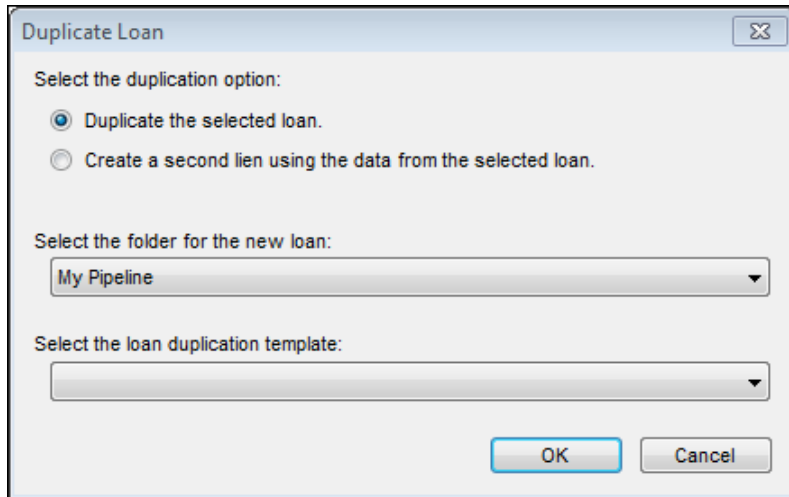
NOTE: If you are going to create a second lien, you should first complete as much information as possible on the Borrower Summary, 1003, Loan Estimate, verifications, and other loan forms of the first loan. All of this information will be duplicated when you create the second mortgage. You should also order credit, appraisal, and other services before creating the second lien.

4 Select the folder where you want to add the loan from the drop-down list.

5 If you have permission, select a loan duplication template from the list to copy the data to the duplicate loan for the fields specified in the template.

6 Click **OK**, and then click **Yes** on the confirmation message to open the duplicate loan file.

   • A duplicate of the loan is added to your Pipeline.

   • If you are using the auto loan numbering and MERS MIN numbering features, the loan is assigned the next number.

Linking Loans and Contacts

You can create a link between a loan file and a borrower contact from the Borrower Summary or the Contacts tab. After a link has been created, you can view the loans that are linked to a contact by selecting the contact on the Contacts tab and then clicking the Loans tab for the contact. Refer to the To Link to a Loan From a Contact: section on page 353 for more information.

To Link to a Loan from a Contact:

1 Click the **Contacts** tab, click the **Borrower Contacts** tab, and then select a contact.

2 In the Contact Details section, click the **Loans** tab, and then click the **Link to Loans Using SSN** button to open the Unassigned Loans window.

3 Select one or more loans and then click **OK**.

   • The loans are linked to the contact and added to the list on the Loans tab.

4 To unlink loans from the contact, select one or more loans from the list of Associated Loans, click **Break Link and Remove from List**, and then click **Yes** in response to the confirmation message.

   • The loan is removed from the list.

To Link to a Contact from a Loan:

1 On the Borrower Summary form or on the borrower entry on the File Contacts tool, click the **Link to a Contact** icon.

   • The Borrower Contacts window opens and displays contacts that match the borrower's Social Security Number or first-last name combination.

2 Select a contact from the list, and then click **Link**.

   • If no match is found, click **Create New and Link** to create a new contact record and link it to the loan file.

3 If the borrower information in the loan file does not match the information in the contact file, you are asked if you want to synchronize the information in both locations.

   • To synchronize, select **Loan Data** or **Contact Data** as the information source, and then click the **Synchronize** button.

   • To maintain different contact information in each location, click the **Keep Unsynchronized** button.

*NOTE: After a link has been created, you can change the borrower information on the Borrower Summary and then click the **Synchronize** icon to synchronize the contact information.*

To Link to a Business Contact from a Loan:

1   Right-click a business contact field associated with the Address Book or click the **Address Book** icon to open the Business Contact window and view contacts who match the information you entered.

   • If your business contact is not on the list, click **Clear** to view additional contacts.

2   Select a contact from the list.

3   Make sure the **Link this loan with selected contact** check box is selected, and then click **Select**.

4   If there is no existing entry for your contact, click **Create New and Link**.

   • A new business contact entry is created and linked to the loan. The contact information that you entered on the File Contacts tool is copied to the Business Contact window.

NOTE: The business contact and loan are linked for tracking and reporting purposes. However, the contact information on the File Contacts tool and on the Contacts tab are not synchronized. Changes to the information in one location are not copied to the other location.

Updating Contacts From the Borrower Summary

When you add or update borrower and co-borrower information on the Borrower Summary screen, you can use the **Synchronize** icon to update the loan officer's contact information. The information is updated on the Contacts tab.

*NOTE: If there is no loan officer in the File Contacts list, the Synchronize icon is not available. To set a loan officer, open the loan's File Started worksheet, click the **Find** icon next to the Loan Officer field, and then select an officer from the list.*

To Add Borrower and Co-Borrower Contacts:

The following instructions apply both to borrower and co-borrower contact information. However, you cannot create a co-borrower contact without the existence of borrower contact information.

1   On the Borrower Summary screen, enter the first and last name of the borrower.

2   Click the **Link to a Contact** icon.

   • The Update Contact window opens with **Create a new contact for borrower** selected.

3   Click **OK** to create the contact, and then click **OK** in response to the completion message.

To Update Borrower and Co-Borrower Contact Information:

1   On the Borrower Summary screen, change borrower information (other than the first or last name).

2   Click the **Synchronization** icon.

   • If a matching name is found in the contacts list, the Data Match window opens with the matching contact displayed.

   • A message displays if the information on the Borrower Summary and the Contacts tab are identical.

3   If the borrower information in the loan file does not match the information in the contact file, you are asked if you want to synchronize the information in both locations.

   • To synchronize, select **Loan Data** or **Contact Data** as the information source, and then click the **Synchronize** button.

4   To maintain different contact information in each location, click the **Keep unsynchronized** button.

Viewing Loan Information

From your Pipeline, you can view loan summaries, view loan details, search for loans based on specified criteria, and control the information that is displayed and how it is displayed. You can then save the configuration as a new view and apply the criteria to the data at any time.

Background Colors

Loans in the summary area display with a white, light gray, pink, dark gray or light blue background.

• White or Light Gray - Active loans that the logged-in user can open and update.

• Pink - Loans with an adverse status.

• Dark Gray - Active loans that the logged-in user can view, but not update.

• Light Blue - A loan that is open on the Loan tab.

   NOTE: Use the Current Status field on the Borrower Summary form to assign one of nine statuses, six of which are adverse-type statuses. Refer to the "Loan Status" online help topic in Encompass for more information.

Pipeline Views

There are many different options for setting up and viewing loan information on the Pipeline. You can use one or more standard Pipeline Views that are based on your assigned persona and specified by your system administrator. You can also create custom Pipeline Views by making changes such as adding or removing columns, changing the order of columns, applying search filters, selecting the loan folders to use, and sorting column data. Refer to the "View Loan Summary Information" topic in the online help in Encompass for detailed information.

To Add, Remove, and Organize Pipeline Columns:

You can customize your Pipeline view by adding and removing columns, as well as changing the column order.

1 Right-click a column heading and select **Customize Columns**.
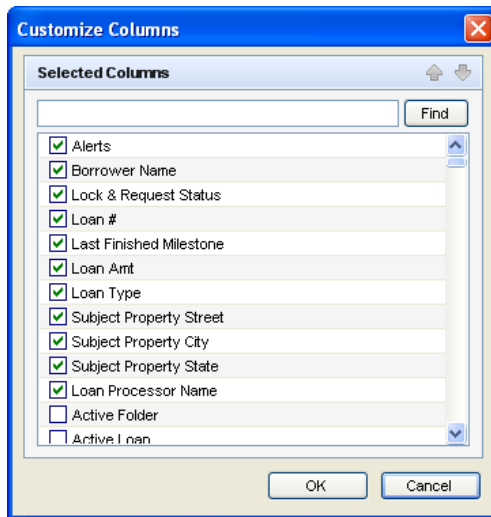
2 Select the columns to add or remove from the Pipeline.

- Select a check box to add the column or clear the check box to remove it.

3 Select a field and click the **Up arrow** or **Down arrow** to change the order of the columns.

- On the Pipeline, you can also click a column heading and drag it to a different location.

4 Click **OK**.

Searching for Loans

You can search for loans on the Pipeline using a simple search (entering search criteria in one or more fields above each column), or an advanced search (creating your own search criteria). Both options allow you to save the search criteria for future use.

*The filtering criteria you define are displayed above the Pipeline. To clear the filter, click the **Clear** button.*

To Perform a Simple Search:

Using the Loan Folder drop-down list, you can select the loan folders in which you want to search for loans. Selecting a smaller number of folders will decrease the time it takes for the system to complete the search.

There are four types of fields in which you can define search criteria.

- Blank fields: Enter all or part of a search term (text or numerals), and then press **Enter**.
- Operator fields: Select an operator such as >(greater than), enter a number, and then press **Enter**.
- Date fields: Select an operator, enter or select a date, and then press **Enter**.
- Predefined fields: Select a value from the drop-down list (such as a milestone name), and then press **Enter**.
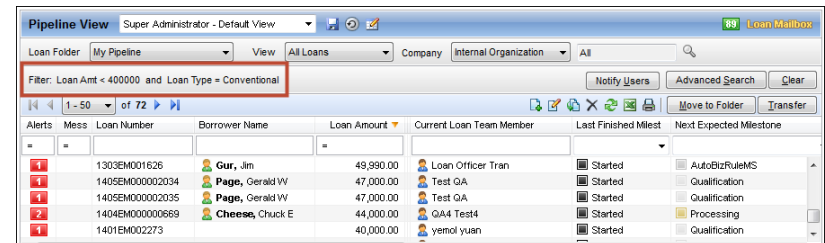
To Perform an Advanced Search:

1 Click the **Advanced Search** button.
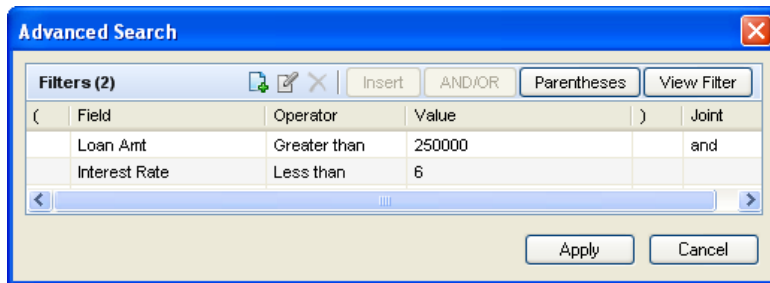
2 Click the **New** icon.

   NOTE: *The New icon inserts a filter at the bottom of the list of filters. To insert a filter above an existing filter, select a filter, click **Insert**, and then define the new filter as described below.*

3 On the Add/Edit Search Filter window, click the **Find** icon.

4 On the Select Field window, double-click to select a field from the list.

   • Or, enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

5 Select an Operator, enter (or select) a Value, and then click **OK**.

   • The Operator and Value define how the field will be used to search for loans. For example: Field ID = **1109** (Loan Amount), Operator = **Greater than**, Value = **250000**.

6 Repeat steps 1 through 5 to add more filters.

7 You can use parentheses to control the order in which multiple filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

8 Click **Apply**.

TIP: *Click the **Clear** button to redisplay the original list of loans.*

Working with Filters

• To switch the qualifier (Joint) between multiple filters, click **AND/OR**.

• To view filters in a statement format, click **View Filter**.

• To edit a filter, click the **Edit** icon, make required changes, and then click **OK**.

• To delete a selected filter, click the **Delete** icon, and then click **Yes** in response to the confirmation message.

To Save a Search:

After specifying and applying search criteria, you can save a Simple Search or Advanced Search for future use.

1 Click the **Save** icon.

2 Select **Save as**.

NOTE: *The **Update the current view** option is available only for custom Pipeline Views. You cannot save or update a standard Pipeline View.*

3 Enter the name of the view.

4 To set this view to be displayed when you log in and view the Pipeline, select **Set as my default view**.

5 Click **Save**.

   The view is added to the Pipeline View drop-down list. Select this view at any time to apply the search criteria to your Pipeline.

Sorting Loans

On the Pipeline, you can sort loans based on the information displayed in the Pipeline columns. Click the column header to sort all loans in ascending or descending.
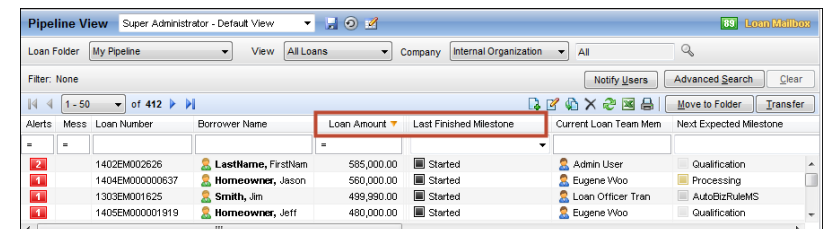
Single Column Sorting

1 Click a column heading to sort loans in ascending order based on values in the selected column.

2 Click the column heading again to switch the sort order from ascending to descending.

   • An orange up or down arrow indicates the column being used to sort the loans and the current sort order (ascending or descending).

NOTE: *Loans in the Last Finished Milestone and Next Expected Milestone columns are sorted based on the order of the milestone in the loan workflow, not alphabetically based on milestone name.*

Two Column Sorting

You can also sort loans based on two levels of loan data. For example, you can sort loans by borrower last name and then grouped by loan officer as follows.
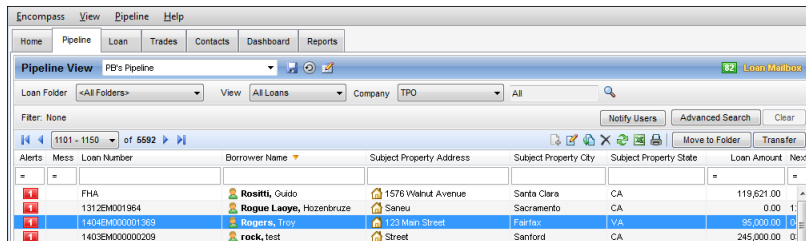
1 Click the Borrower Name column heading to sort loans in ascending order by last name.

2 Click the Loan Officer Name column to sort the loans by loan officer, grouped in ascending order by borrower name within each loan officer.

Viewing TPO Loans

After a loan is submitted via the TPO WebCenter or Encompass TPO Connect, authorized users can open their Pipeline and view the loan. The Company filter with Internal Organization and TPO options enable users to view only the loans originated in Encompass or only the loans submitted by the TPO contacts. Use the TPO filter to view loans that are submitted by TPOs only; use the Internal Organization filter to view loans that are originated in Encompass.

To View TPO Loans in Your Pipeline:

1 Click the **Pipeline** tab.

2 From the Company drop-down list, select **TPO**.

   • Loans submitted by TPOs are displayed.

3 To filter your loans by TPO company, click the **Find** icon, and in the External Org Info window, select the TPO company, and then click **OK**.
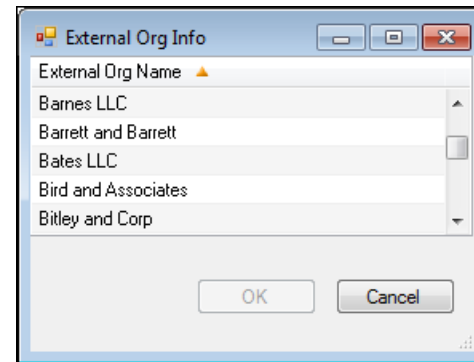
• Your Pipeline displays loans submitted by the selected TPO company.

Saving Pipeline Views

After changing the columns, sorting the data, applying search criteria, selecting specific loan folders to use, or selecting All Loans or My Loans (where applicable), you can save the new configuration as a new custom view. Once you save a view, you can select it at any time to apply the criteria to your loan or contact data.

To Save a Pipeline View:

1 Once you have set up the data to your specifications, click the **Save** icon.
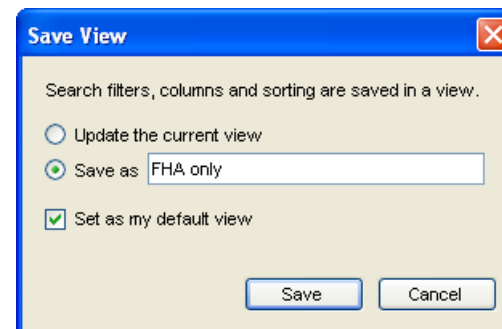
2 Select **Save as**.

NOTE: *The Update the current view option is available only for custom views. You cannot save or update a standard view.*

3 Enter the name of the view.

4 Clear the **Set as my default view** check box if you do not want to set this view as the default view that displays when you log in and view the Pipeline.

5 Click **Save**.

NOTE: You will not be prompted to save your changes when you log out. If you log out without saving your changes, your data will return to its previous configuration when you log back in.

Chapter 4

Working with Loans

This chapter describes loan processing activities. Refer to the online help for expanded explanations and detailed procedures.

Processing Tasks

- Open a loan
- Complete forms and verifications
- Check for duplicate loans
- Manage milestone dates and milestone templates
- Apply data from predefined templates
- Order services
- Record milestone activities
- Record task information
- Record communications
- Communicate loan status to borrowers
- Request documents from borrowers
- Request settlement services
- Check and respond to alerts
- Transfer secure forms
- Print forms and log entries
- Order 4506-T services
- Submit ULDD/PDD fields
- Generate NMLS Reports
- Generate and Submit HMDA Reports

Opening a Loan

If a loan displays on your Pipeline, you can open it for viewing and/or editing. If the loan summary has a dark gray background, it is available for viewing only.

To Open a Loan:

On the Pipeline:

- Double-click a loan in the Loan Summary list.
- Or, select a loan in the Loan Summary list, and then click the **Edit** icon.
- Or, on the menu bar, click **Pipeline**, click **Open Recent**, and then select a loan.
- The loan opens on the Loan tab in the Loan Workspace.

NOTE: Loans displayed with a dark gray background have read-only access.

Multi-User Editing

Multi-user editing enables multiple users to edit a loan file at the same time. Users who are editing the loan receive notification when other users open or exit the loan. When a user saves the loan, all the users who are working in the loan can view the changes and decide whether to get updates (copy the changes into their versions of the loan file). Users can then continue editing the loan file. The final version of the file is created when the last user saves and closes the loan.

NOTE: By default, multi-user editing is disabled. Your administrator must enable this feature in the Encompass Admin Tools, and users must log in to Encompass in Networked mode.

Open and Edit a Loan File

When a user opens a loan file in which one or more users are already working:

- The user who is opening the loan receives a message with a list of the users who are currently editing the loan.
- Users who are already editing the loan receive a message that a new user has opened the loan.

The editing tasks that are available are based on each user's loan file access rights.

How Saves and Updates are Applied

Use the **Save** and **Get Updates** icons to resolve edits made by different users. When you save the loan or get updates:

- If you have edited a field, your entry will overwrite any information that other users have saved for the field.

- If another user has saved changes to a field that you have not edited, the other user's entry will be copied to the field.

NOTE: When you get updates, Encompass copies the other users' changes to your loan file, but it does not save the changes that you made to the file. After you get updates, click the Save icon to save your changes.

Save Changes

If you save a loan file while other user are editing it:

- If other users have not saved changes to the file, you will receive a confirmation message that your save was successful.

- If other users have saved changes, the Save window displays and allows you to view changes made by other users before you save your changes.

To Save a Loan File:

1 Click the **Save** icon.

2 If no other users have saved changes to the loan, a pop-up message confirms that your changes have been saved.

3 If other users have made changes to the loan, a Save window displays the changes described below.

NOTE: If your administrator has configured the multi-user editing feature to hide changes made by others, the Get Updates window will open only if there is a conflict between the edits made by you and another user. When the Get Updates window opens, you will only see the information described in the Conflicting Changes section below.

- **Conflicting Changes** – This section contains a list of changes made by other users if the changes are in conflict with the entries in your loan file.

- **Changes Made by Other Users** – This section contains two tabs that list fields that have been saved by other users and are not in conflict with your changes:

- **Key Fields tab** - Changes to about 20 predetermined fields that can have a major impact on the loan file, for example, the total loan amount or note rate.

- **All Fields tab** – Changes made by other users to fields that are not key fields. This tab also lists fields that change when one field is edited and the data is copied to another field, or when one field is edited and the information is used to recalculate the value in another field.

4 Click **Save** to save your changes and overwrite any conflicting changes made by other users.

- Or click **Cancel** to cancel the save.

Get Updates

When another user saves a loan file while you are editing it, the **Get Updates** icon turns green. Use the **Get Updates** icon to copy the changes into your version of the loan file.

1 Click the **Get Update** icon if enabled (green).

2 The Get Updates window opens and displays the changes to the file. Review the changes as described below.

NOTE: If your administrator has configured the multi-user editing feature to hide changes made by others, the Get Updates window will open only if there is a conflict between the edits made by you and another user. When the Get Updates window opens, you will only see the information described in the Conflicting Changes section below.

- **Conflicting Changes** – This section contains a list of changes made by other users if the changes are in conflict with the entries in your loan file.

- **Changes Made by Other Users** – This section contains two tabs that list fields that have been saved by other users and are not in conflict with your changes:

- **Key Fields tab** - Changes to about 20 predetermined fields that can have a major impact on the loan file, for example, the total loan amount or note rate.

- **All Fields tab** – Changes made by other users to fields that are not key fields. This tab also lists fields that change when one field is edited and the data is copied to another field, or when one field is edited and the information is used to recalculate the value in another field.

3 Click **Get Updates** to copy the changes to your loan file.

- Or click **Cancel** to cancel the update and continue editing the loan without copying the other user's changes.

View Other Users and Open a Chat Session

You can view a list of users who are working in a loan and open a chat session with any of them.

To View or Chat With Other Users:

1 Click the drop-down list in the Borrowers title bar above the loan file to view users who are currently working in the loan.

2 Select a user, and then click the **Start Chat** icon to start a chat session with the user.

3 When the chat box opens, click **Contact Profile** to view the user's contact information.

4 Enter a message and click **Send** to send the chat message.

Block Multi-User Editing

If enabled by your system administrator in Encompass Settings, you can block multi-user editing by clicking the icon next to the text box on the Borrowers title bar on the right.

- The text and the appearance of the icon indicate whether multi-user editing is allowed or blocked.

Features You Cannot Access with Multi-User Editing

To edit the features listed below, you must be the only user working in the loan file. When you edit one of these features, other users will not be able to open and edit the loan until you exit the feature and save the file.

- Borrower Management - Adding, deleting, swapping borrower pairs and borrower with co-borrower

- Interim Servicing

- Rearranging the order of verifs on the VOD, VOE, VOL, VOM, or VOR forms

- Managing piggyback loans

- Importing a loan from the Loan Mailbox to overwrite the loan that you are editing

- Status online updates

- Deleting eFolder Documents

- CRM Tool (system administrators only)

NOTE: If other users are editing the loan, use the Chat feature to ask them to close the loan while you edit these features.

Completing Forms and Verifications

Forms and verifications are accessed from the Loan Workspace of an open loan. Refer to the online help for step-by-step procedures for each form.

To Access Loan Forms and Verifications:

1 Open a loan on your Pipeline.

2 Click the **Forms** tab, and then select a form.

Checking for Duplicate Loans

When enabled, a Duplicate Loan Check message automatically displays when you attempt to save a loan file with data that matches the data in another loan file.
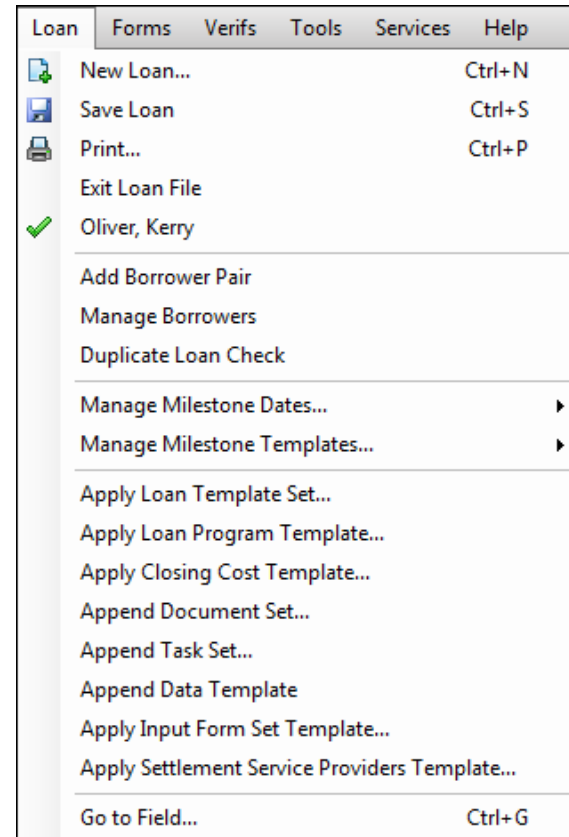
In order for the Duplicate Loan Check to be eligible to be performed on a loan, the Duplicate Loan Check component must be enabled in the Encompass Admin Tools and the loan must be in a loan folder where the **Include in Duplicate Loan Check** option has been selected.

The following fields are reviewed for duplicate data and trigger the Duplicate Loan Check window:

- SSN (field ID 65 and field ID 97)

- Home E-mail (field ID 1240 and field ID 1268)

- Work E-mail (field ID 1178 and field ID 1179)

- First Name (field ID 4000 and 4004)

- Last Name (field ID 4002 and 4006)
- Home Phone (field IDs 66 and 98)
- Cell (field ID 1490 and 1480)
- Subject Property Address (field ID 11)

When the system checks for duplicate subject property addresses, it is not just the Subject Property Address field (i.e., the street address) that is reviewed. The system reviews this field and these other three fields:

- City (field ID 12)
- State (field ID 14)
- Zip (field ID 15)

The Duplicate Loan Check will be triggered only if all four of these fields (i.e., the complete mailing address) match the complete mailing address used in another loan file.

> **NOTE:** In a loan file that has been imported into Encompass, the Duplicate Loan Check is also triggered when one of these trigger fields is updated, for the first time, to a value that matches the value in another loan file.

Searching for Potential Duplicate Loans

The Duplicate Loan Check message will automatically display when a user attempts to save a loan file that contains data that matches the data in another loan file, however you can manually search for potential duplicate loans at any time:

1 From the Pipeline, open a loan file.

2 Click **Loan** in the menu bar, and then click **Duplicate Loan Check**.

- If potential duplicate loans are discovered, the Duplicate Loan Check pop-up message displays.
- If no duplicate loans are discovered, a pop-up message stating that no duplicate loans were found displays.

Reviewing Potential Duplicate Loans

When the Duplicate Loan Check message displays, all potential duplicate loans are listed, along with loan details.

1 Click a column header to display data in ascending order based on the information in the column. Alternately click the header to sort the data in descending or ascending order.

2 Select a loan in the list, and then click the **Review Loan** button.

3 When prompted to exit the loan you are currently working on, select an exit option, and then click **OK**.

- Select **Save and exit loan** to save any unsaved changes to the loan before exiting the loan file.

- Select **Exit the loan without saving** to discard any unsaved changed before exiting the loan file.

4 The potential duplicate loan is displayed. Review the loan data to determine if it is a duplicate of the loan file you were working on.

5 Click the loan officer's icon or the icon of the loan team member that started the loan file to view their contact information and contact them to discuss the potential duplicate loan as needed.

6 If you do not want Encompass to automatically search for loans that may be duplicates of the loan you are currently working on, select **Do not show again for this loan**.

7 To exit the Duplicate Loan Check message window without reviewing potential duplicate loans, click **Exit**.

> **NOTE:** After you review a loan, the Duplicate Loan Check message will not be automatically triggered by that loan again. If matching data is found in a different loan, the message will be automatically triggered again and all the loans with matching data (including the loan you already reviewed) will be listed (unless you selected the **Do not show again for this loan** check box).

Managing Milestone Dates and Milestone Templates

Use the Manage Milestone Dates options in the Loan menu to manage milestone date modes or manually change a milestone's expected completion date. Use the Manage Milestone Templates options in the Loan menu to manage milestone template modes or manually apply a milestone template to a loan file.

> **NOTE:** The Loan menu options that are available to users is determined by the Global Template Settings and milestone-related persona settings.

Managing Milestone Dates

Use the Manage Milestone Dates menu options to control how the current loan's milestones' expected completion dates are calculated (manual mode or automatic mode) or to manually change a milestone's expected completion date.

Manual Mode vs. Automatic Mode

Every milestone in the milestone template that is currently applied to a loan is listed on the Log tab of the Loan Log. Each milestone is automatically assigned an "expected completion date", which is the date the milestone is expected to be finished. By default, these dates are calculated based on the date the loan file is started and the **Days to Finish** settings configured by the administrator in the Milestones setting. Using the manual mode or automatic mode options here, you can control how, or if, the expected completion dates for other milestones will be recalculated when one of these dates is changed during the loan process.

- **Manual Mode -** When a user changes a milestone's expected completion date, none of the other milestones' expected completion dates will be recalculated. This policy applies when you change the expected completion date directly on the milestone worksheet or when you change the date using the Change Milestone Dates window.

- **Automatic Mode -** When a user changes a milestone's expected completion date, Encompass automatically recalculates the subsequent milestones' expected completion dates. This policy applies when you change the expected completion date directly on the milestone worksheet or when you change the date using the Change Milestone Dates window.

  - When your administrator uses the Milestones setting to create a milestone, they specify the Days to Finish in the Milestone Details window. For example, when configuring the Submittal milestone, they may set the Days to Finish to *3*. They also define what the Days to Finish calculation is based on: week days or calendar days. In automatic mode, when you change the expected completion date for a milestone, the system automatically recalculates the expected completion dates for the remaining unfinished milestones based on these administrative settings.

Applying Manual Mode

Apply the manual mode to stop Encompass from automatically recalculating the expected completion dates for the subsequent milestones when a milestone's expected completion date is changed. This can be useful when working with a purchase loan that has a contract date driving the funding date.

To Apply Manual Mode:

1 On the menu bar, click **Loan**, point to **Manage Milestone Dates**, and then click **Apply Manual Mode**.

2 Click **OK** to acknowledge the confirmation message.

Applying Automatic Mode

Apply the automatic mode to enable Encompass to automatically recalculate the expected completion dates for the subsequent milestones when a milestone's expected completion date is changed.This can be useful when working with a refinance loan where the due dates can change without affecting the contract.

To Apply Automatic Mode:

1 On the menu bar, click **Loan**, point to **Manage Milestone Dates**, and then click **Apply Automatic Mode**.

2 Click **OK** to acknowledge the confirmation message.

To Change a Milestone's Expected Completion Date:

1 On the menu bar, click **Loan**, point to **Manage Milestone Dates**, and then click **Change Milestone Dates**.

OR

With the loan file open, click a milestone entry in the Loan Log to display the milestone worksheet, and then click the **Change Milestone Date** hyperlink next to the Days to Finish date field.

2 The Change Milestone Dates window displays. Every milestone in the milestone template currently applied to the loan file is listed here, along with the role assigned to the milestone and the milestone's expected completion date.
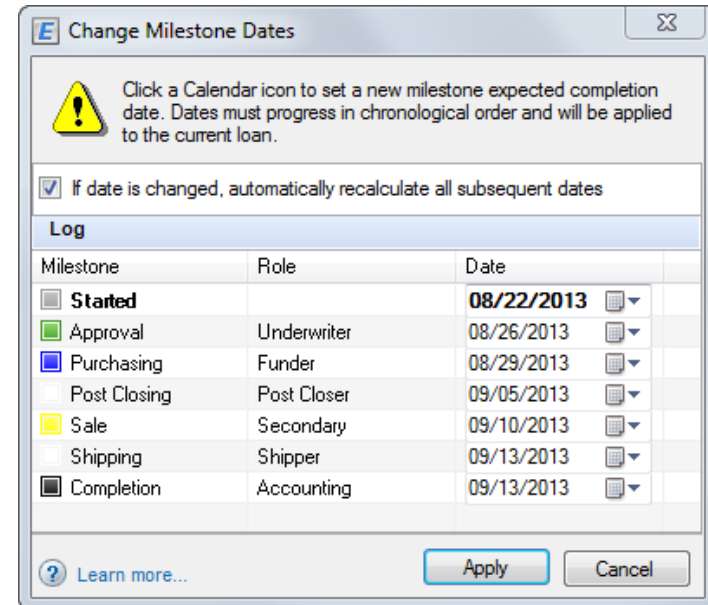
3 On the Change Milestone Dates window, select the I**f date is changed, automatically recalculate all subsequent dates** check box to enable the system to automatically recalculate the expected completion date for all unfinished milestones when you change a milestone's expected completion date. The date is recalculated based on your administrator's settings in the Milestones setting.

- If the manual mode is currently applied, this check box will not be selected when you open the Change Milestones Dates window. If the automatic mode is currently applied, this check box will already be selected when you open the Change Milestone Dates window.

- When you change the expected completion date for a milestone, only the dates for the milestones that occur after that milestone are recalculated.

- When your administrator uses the Milestones setting to create a milestone, they specify the Days to Finish in the Milestone Details window. For example, when working with the Submittal milestone, they may set the Days to Finish to *3*.

  For example, let's say you are working with a milestone template where the Processing milestone occurs, followed by the Submittal milestone. In this scenario, when you change the Processing milestone's expected completion date from 08/19/2013 to 08/21/2013, the Submittal milestone's expected completion date will automatically recalculate to 08/24/2013. Since your administrator set the Submittal milestone's Days to Finish to *3*, the system automatically recalculates the expected completion date to 3 days after the Processing milestone's expected completion date. All of the dates for the subsequent milestones that occur after the Processing milestone will be recalculated in this manner.

- If this check box is not selected (or cleared), the expected completion date for all other unfinished milestones in the milestone template will not be recalculated when you change a milestone's expected completion date. This enables you to change a date without affecting any other milestone dates.

4 To set a new expected completion date for a milestone, click the **Calendar** icon.

5 Use the arrows at the top of the calendar to navigate to the desired month, and then click the new date.

- To ensure a logical milestone workflow, the expected completion dates must occur in chronological order. The expected completion date for the first milestone in the milestone template (i.e., Started) must be the earliest date being used. The next milestone's expected completion date must occur on the same date or later, and so on. If you enter a date that conflicts with this chronological order, a date conflict alert is triggered and displays next to each date that must be adjusted. Adjust the dates accordingly to clear the alerts. You must address all date conflicts before applying the new expected completion dates to the loan file.

6 Repeat steps 4-5 for each additional date you want to change.

7 When finished, click **Apply**.

- The milestones' new expected completion dates are now in effect for the loan file.

Managing Milestone Templates

Use the Manage Milestone Templates menu options to control whether or not Encompass automatically searches for and applies a new milestone template to a loan file any time key loan data is updated and saved.

Manual Mode vs. Automatic Mode

Every milestone in the milestone template that is currently applied to a loan is listed on the Log tab of the Loan Log. Using the Milestones setting in Encompass Settings, administrators can create one or more milestone templates. Each template consists of a set of milestones that must be completed in order to process the loan. With this in mind, administrators create milestone templates designed to be applied to loan files based on loan channel, loan type, and other specific criteria. For example, they can create a milestone template that contains milestones specific to loans in the Banked-Retail channel and then another milestone template intended only for HELOC loans in the Brokered channel.

- **Manual Mode -** In manual mode, the system will not automatically search for and apply the milestone template when the loan's data matches that template's conditions and criteria. Authorized users may apply a milestone template to the loan file at any time. Note that the authorized users will only be able to manually apply milestone templates if the administrator has enabled this option in the Global Template Settings options for milestone templates.

- **Automatic Mode -** In automatic mode, any time you (or other authorized users) change a loan's channel, type, or other key data, the system automatically searches for and applies a milestone template to the loan when the loan's data matches that template's conditions and criteria. If enabled by the administrator, an on-screen notification is displayed before the new milestone template is applied.

  For example, let's say your administrator has created three milestone templates. One is intended for FHA loan files, one is intended for loans in the Correspondent loan channel, and the last one is intended for loans in the Banked-Retail channel. Now you start a new blank loan file. By default, the Channel field (field ID 2626) is empty. When you select Banked-Retail from the Channel drop-down list, a notification window will display notifying you that the milestone template intended for Banked-Retail loans is now going to be applied to the loan file. You would then click **Apply** and the new milestone template would be applied to the loan. Then, later on in the loan process, the loan channel is changed to Correspondent. Again, a notification window will display notifying you that the milestone template intended for loans in the Correspondent channel will be applied to the loan. You would then click **Apply** and the new milestone template would be applied to the loan.

NOTE: In this scenario, a notification windows displays to notify you that another template will be applied to the loan. However, this notification will display only of it is enabled by the administrator (via the Personas settings). If not enabled, the template will be applied automatically. A Milestone Template Change entry is added to the Loan Log which provides details about the new milestone template that was applied.

Applying Manual Mode

In manual mode, authorized users may apply a new milestone template to the loan file at any time. Note that the authorized users will only be able to manually apply milestone templates if the administrator has enabled this option in the Global Template Settings options for milestone templates. When in manual mode, the system will not automatically apply a milestone template to the loan file.

To Apply Manual Mode:

1   On the menu bar, click **Loan**, point to **Manage Milestone Templates**, and then click **Apply Manual Mode**.

2   Click **OK** to acknowledge the confirmation message.

NOTE: If at any time you apply a loan template set that includes a milestone template to a loan file, the system will automatically apply manual mode.

Applying Automatic Mode

In automatic mode, any time you (or other authorized users) changes (and saves) a loan's channel, type, or other key data, the system automatically searches for and applies a milestone template to the loan when the loan's data matches that template's conditions and criteria.

To Apply Automatic Mode:

1   On the menu bar, click **Loan**, point to **Manage Milestone Templates**, and then click A**pply Automatic Mode**.

2   Click **OK** to acknowledge the confirmation message.

To Manually Apply a Milestone Template:

Use the Apply Milestone Template option to apply a different milestone template to the current loan file.

1   On the menu bar, click **Loan**, point to **Manage Milestone Templates**, and then click **Apply Milestone Template**.

2   In the Apply Milestone Template window, select a template from the Templates List in the left panel, and then click **Select and Continue.**
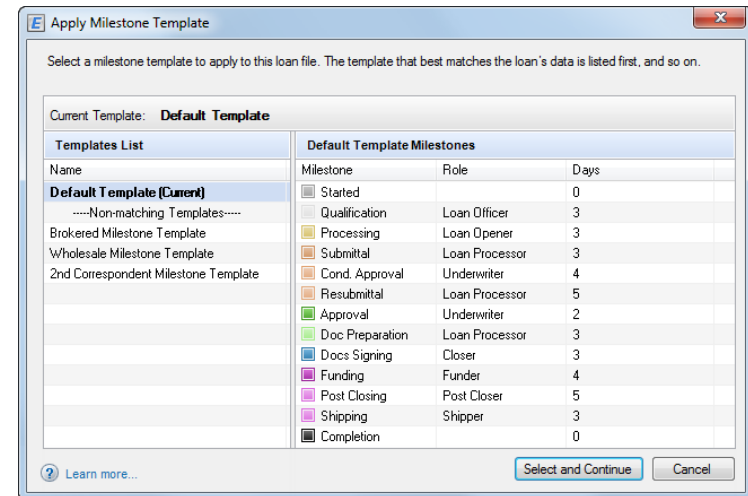
- The templates in the Templates List are listed in "best-matching" order. That is, if the loan satisfies all the conditions in a milestone template, that milestone template is the most logical milestone template to apply, so it is listed first, and so on. Your administrator designed these milestone templates to be applied to loan files based on their loan channel, loan type, and other specific criteria. The system analyzes the loan data and then analyzes each milestone template, and the then ranks them in logical order here.

- If enabled by your administrator, milestone templates that do not match any of the criteria set up by your administrator are listed at the bottom of the list (*Non-matching Templates*). These milestone templates are eligible to select and apply to the loan file.

- All of the milestones that make up the milestone template you select are displayed in the right panel. These milestones will replace the current milestones in the loan file if you elect to apply this milestone template to the loan.

3 A Preview and Apply message window displays. The left panel lists the milestones in the milestone template that is currently applied to the loan file, while the right panel displays the milestones in the milestone template you are now applying to the loan. Click **Apply** to continue.

By default, when the automatic mode is enabled and the system automatically applies a new template, the Preview and Apply message described here also displays. Using the Personas settings, the administrator can control which users have access to the Preview and Apply message window in automatic mode.
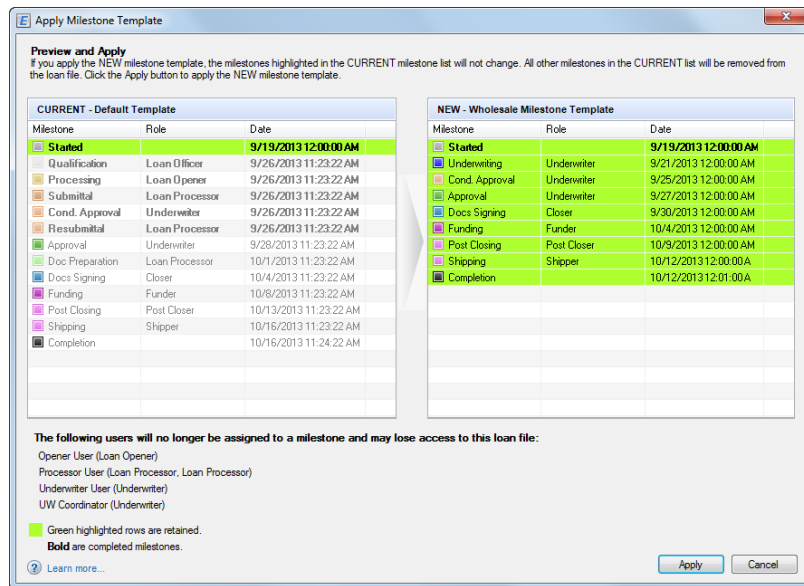
- The role assigned to complete the milestone and the date the milestone was completed or is expected to be completed are also displayed.
- Milestones that displayed bold font have been completed.
- Milestones highlighted in green are milestones that are duplicates of a milestone in the new milestone template you are now applying to the loan. All milestones highlighted in green will be applied to the loan when the new milestone template is applied.
- There may be some milestones in the milestone template that is currently applied to the loan file that will no longer be included in the loan file as a result of applying a new milestone template. When this occurs, a list of the loan team members assigned to milestones that will no longer be applied to the loan file is listed near the bottom of the message window. Since they are no longer assigned to a milestone in the loan file, they may lose access to the file.

4 A Milestone List Change Confirmation message window displays. A list of the milestones that will no longer be included in the loan file as a result of applying the new milestone template is provided. Click **OK** to apply the new milestone template to the loan file.
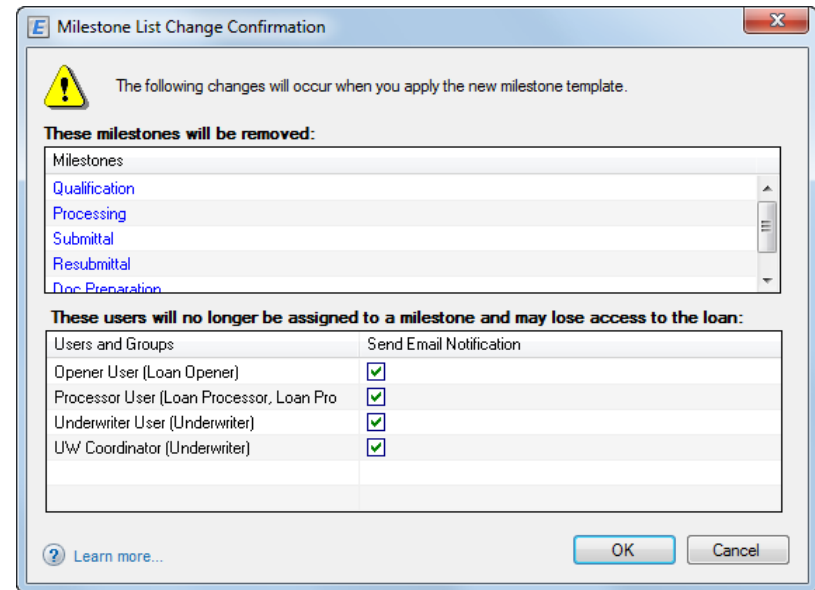
- If enabled by your administrator, you may send an email notification to the loan team members who will no longer be assigned to a milestone in the loan file, and as a result, may lose access to the loan file. To enable Encompass to send an automatic email notification, select the check box for each loan team member you want to notify, and then click **OK**.

NOTE: *Selecting or clearing the* **Send Email Notification** *check box controls the email notifications only. Clearing a check box does not prevent that loan team member from no longer being assigned to a milestone and possibly losing access to the loan file.*

5 After applying a new milestone template, a Milestone Template Change entry is added to the Loan Log. Click the entry to view date and time the new template was applied, who applied it, the reason why, and the new milestones that were applied.

Applying Data from Predefined Templates

Use the Loan menu to apply data from predefined templates to a loan. When you select the Loan Program or Closing Cost templates, you have two options for applying the data to the loan.

• Append - Data is only applied if the field in the template has a value. Data from the template overrides data in the loan.

• Override - All data from the template is applied to the loan. This includes overriding the data in the loan with data and blank values from the template.

To Apply a Loan Program or Closing Cost Template:

1 On the **Loan** menu, click **Apply Loan Program Template** or **Apply Closing Cost Template**.

2 Select a loan program or closing cost program to apply to the loan.

 • After selecting a loan program, you can make changes to the program details in the Summary section of the Select Loan Program window.

3 Select an **Only apply...** check box if you want only fields from the template that contain a value to be applied to the loan file.

• If not selected, all template fields, including blank fields, will be applied.

4 Click **Select**.

To Apply a Loan Template:

1 On the Loan menu, click **Apply Loan Template Set**.

2 Select a loan template to apply to the loan.

3 Select the **Only apply template fields...** check box if you want only fields from the template that contain a value to be applied to the loan file.

 • If not selected, all template fields, including blank fields, will be applied.

4 Click S**elect Template**.

To Apply Document Set, Task Set, Data Template, Form Set Templates, or **Settlement Service Providers Template:**

1 On the **Loan** menu, click **Append Document Set**, **Append Task Set**, **Append Data Template, Apply Input Form Set Template,** or **Apply Settlement Service Providers Template**.

 • The **Append Document Set** option adds the documents in the selected set to the current list of loan documents.

 • The **Append Task Set** option adds the tasks in the selected set to the appropriate milestone worksheets.

 • The **Append Data Template** option applies data from the template only if the field in the template has a value.

 • The **Apply Input Form Set Template** option replaces the current list of input forms on the **Forms** tab.

 • The **Apply Settlement Service Providers Template** option replaces the current list of settlement service providers.

2 Click a template to apply to the loan.

3 Click **Select**.

Ordering Services

As soon as a loan is originated, you can use the Ellie Mae Network to order services such as credit reports and appraisals.

NOTE: For more information and detailed instructions on ordering services, see Chapter 7, "Ordering Services".

To Order a Service:

1 On the loan workspace, click the **Services** tab.
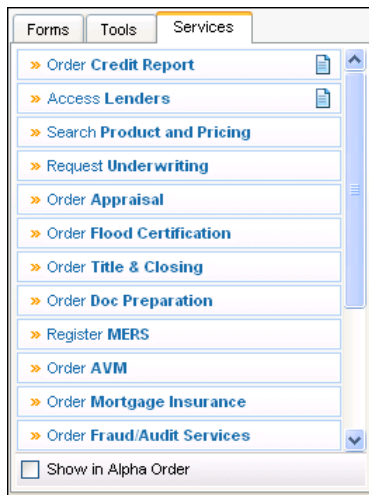
2 Click the button associated with a category of service providers. For example, click **Order Credit Report**.

- Or, click the **View My Custom Links** button to view and select a provider from additional categories.

3 On the **My Providers** tab, select a service provider, and click **Submit**.
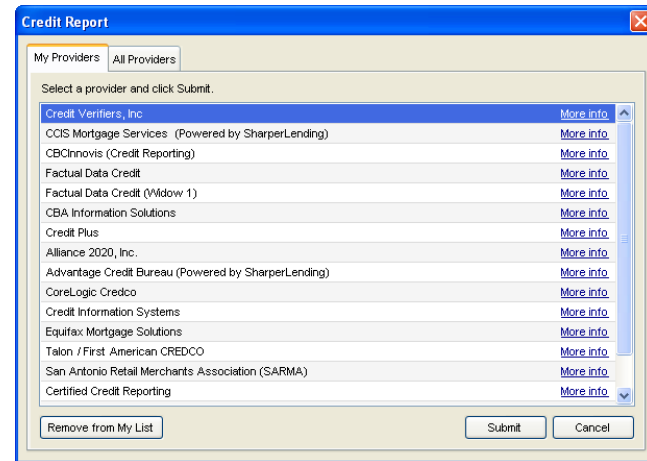
4 Complete information on the provider's request form and submit the request.

Recording Milestone Activities

The loan processing workflow is divided into stages called tasks. As activities are completed and recorded on the milestone worksheet, the milestone is marked as Finished, and work begins toward the next milestone. Your Pipeline displays the last completed and the next milestone for each loan file. The Log tracks all completed and future milestones.

Encompass Banker Edition is predefined with the following milestones: Started, Qualification, Processing, Submittal, Cond. Approval, Resubmittal, Approval, Doc Preparation, Doc Signing, Funding, Post Closing, Shipping, Completion. Your system administrator defines the expected number of days between each milestone and can also define custom milestones specific to the needs of your company.

Loan team members are responsible for completing tasks for each milestone. When tasks are completed the loan is assigned to the loan team member who will complete the tasks for the next milestone. For example, when the loan officer completes preliminary work on the loan, it is assigned to a processor to begin the tasks for the Processing milestone.

This section details the components of the milestone worksheet, the configuration of the predefined milestones, and the procedure to record the completion of milestone tasks.

The Milestone Worksheet

The milestone worksheet is used to record activities and the completion of the tasks associated with each milestone. This figure depicts all the possible options on worksheet. The options you see and the tasks you are permitted or required to complete are based on the configuration of each milestone and your individual user s

1	Assigned Loan Team Members	The assigned loan team members for the preceding, current, and next milestones.
2	Accept File (Clear Alert)	Used by the assigned loan team member to accept the loan file and clear the associated alert.
3	Return File to Sender	Used by the assigned loan team member to return the loan to the previous milestone and loan team member.
4	Days to Finish	The number of days before the expected completion of the milestone. You can change the expected completion date as needed by clicki drop-down arrow and then selecting the date on the calendar or by clicking the **Change Milestone Date** link.
5	Finished check box	Used to indicate completion of the milestone and move the loan to the next milestone.
6	Documents	The list of documents needed for the milestone. Select check boxes to indicate receipt of documents. An entry for each receipt is created Log. Click the **eFolder** button to view document details.
7	Tasks	The list of tasks to complete for the milestone. Select a check box to indicate completion of a task. Click the **Task List** button to view task (
8	Required Fields	Displays the fields that must be completed before completion of the milestone. You can enter values in the space provided next to each f Click the **Go to Fields** button to locate the field on an input form. Click the **Field Summary** button to display a document that summarize loan information for the milestone (optional).

The Banker Edition Workflow

The following table describes the default workflow and configuration of each "out of the box" milestone. After the Started milestone, the loan team member can also accept a file (clear the alert), return a file to the sender, change days to finish, record receipt of documents, add or edit comments, and finish the milestone.

Your Encompass administrator may modify your milestone template to exclude one or more of the default milestones and add customized milestones if required.

Milestone		Milestone Tasks
Started	Originate a loan file and record basic information.	• Assign Loan Officer (optional) • Change start date (Admin) • Add or edit comments
Qualification	Gather information to prequalify the applicant.	• Change current Loan Officer (opt) • Assign Loan Opener (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Send to Processing	Gather initial required documents and prepare for processing.	• Change current Opener (opt) • Assign Loan Processor (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone

Milestone		Milestone Tasks
Submittal	Gather verified documentation and other information for the underwriter decision.	• Change current Processor (opt) • Assign Underwriter (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Cond. Approval	Determine if the lender should approve the loan with conditions.	• Change current Underwriter (opt) • Assign Loan Processor (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Resubmittal	Gather remaining information, clear conditions.	• Change current Loan Processor (opt) • Assign Underwriter (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone

Milestone		Milestone Tasks
Approval	Final approval of the loan.	• Change current Underwriter (opt) • Assign Loan Processor (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Doc Preparation	Gather closing documents for closing.	• Change current Processor (opt) • Assign Closer (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Doc Signing	Complete closing documents and obtain signed document package.	• Change current Closer (opt) • Assign Funder (req'd) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone

Milestone		Milestone Tasks
Funding	Disburse funds per instructions.	• Change current Funder (opt) • Assign Post Closer (opt) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Post Closing	Confirm all documents are complete after funding.	• Change current Post Closer (opt) • Assign Shipper (opt) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone
Shipping	Deliver loan to investor or retain as a portfolio loan.	• Change current Shipper (opt) • Assign Archiver (opt) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone

	Milestone	Milestone Tasks
Completion	Deliver loan to secondary investor or retain as a portfolio loan.	• Change current Archiver (opt) • Accept file (clear alert) • Return file to sender • Change days to finish • Record receipt of documents • Record completion of tasks • Enter required field values as needed • Add or edit comments • Finish the milestone

Completing Milestone Tasks

The following is an example of using the milestone worksheet to complete tasks at the Send to Processing milestone.

1 Click the **Send to Processing** milestone entry in the Log.

The Send to Processing worksheet opens.

2 In the **Documents** section, select a check box to indicate receipt of a document. An entry for the receipt is created in the Log. Click the **eFolder** button to view document details. If you previously created a Log entry when you ordered or reordered the document from the document worksheet, the wording of that entry is changed from **ordered** or **expected** to **received**.

A document may also require that a file be attached to it before the milestone can be completed. A paper clip with a red asterisk to the left of a document name indicates that an attachment is required. Click the **eFolder** button to open the eFolder and retrieve the required attachment.

NOTE: The required attachments are set up by the administrator using the Milestone Completion tool in the Business rules on the Settings screen.

3 Clear a document's check box to change its status from **received** back to **ordered**. If the document was never ordered, the entry in the Log is removed.

4 In the **Required Fields** section, enter a value for each field on the list. The value you enter will also be applied to all forms on which the field occurs.

To view key loan information for this milestone (if available), click the **Field Summary** button. The Field Summary button is used to open a separate form that summarizes the loan fields you want to review before completing the milestone. For example, before completing a milestone you can check the values entered on several different forms, such a LTV ratio, Appraised Value, and Total Monthly Income. Rather than looking for the values on different forms, your system administrator can create a custom input form and associate it with the milestone. When you click the Field Summary button, the custom form opens and displays the fields for your review.

NOTE: The required attachments are set up by the administrator using the Milestone Completion tool in the Business Rules on the Settings screen.

5 In the **Milestone Comments** section, click in the Milestone Comments area and, optionally, click the **Date Stamp** button to add the current date and your user name, and then enter your comments.

6 Click the **Find** icon (magnifying glass) and assign a Loan Processor to the next milestone, Submittal.

7 Select the **Finished** check box to indicate achievement of the Processing milestone. The loan is sent to the assigned Loan Processor.

The milestone entry in the Log changes to indicate that the loan was sent to the Submittal milestone. Both the time and date the milestone was completed are included with the Log entry, as well as on the milestone worksheet.

Recording Task Information

Use the Tasks tool to create, manage, and track the tasks to be completed at each milestone. You can also send alerts to other loan team members to request follow-up actions related to a task.

NOTE: Milestone actions (such as the completion of a milestone) include the date and time when listed in the Log.

To Access the Task Entry Worksheet:

1 In the Log, click the **New** icon.

2 Select **Task** and click **OK**.

- Or, click the **Tools** tab, click **Tasks**, and then click the **New** icon.

- Or, from the milestone worksheet, click the **Task List** button and then click the **New** icon.

A Task entry worksheet opens and a new entry is created in the Log.

To Create a Task Entry:

1 Enter a Name and Description.

2 Select the milestone with which the task is associated, and (optionally) select a priority.

3 As needed, in the Contacts section, click the **New** icon to add business contacts that are associated with the task.

4 In the Status section, enter the number of days before the expected completion of the task in the Days to Complete field.

5 In the Comments section, enter information related to the task.

- In Change the date and time as needed.

- If you click the **Date Stamp** button, the current date and time is added to the next blank line in the Comments section.

6 To request follow-up by a loan team member, in the Follow Ups section, select a role, and then set the due date.

- A separate follow-up entry (with red text) is created in the Log.

- The alert displays on the selected loan team member's Pipeline.

7 Click **OK**.

To Edit a Task Entry:

1 Click the task entry in the Log.

- Or click **Tasks** on the Tools tab and double-click to open a task.

2 Edit task information as required. Select the **Completed** check box in the Status section if the task is complete.

3 Click **OK**.

To Follow-Up a Task Alert:

1 Click the red follow-up entry in the Log.

- Or click **Tasks** on the Tools tab and double-click to open the task.

2 After completion of the follow-up action, select the **Followed up on** check box. Change the followed-up date if necessary.

- The alert entry is removed from the Log and the original entry is updated with the follow-up information.

- The alert is removed from the loan's alert list on your Pipeline.

3 Click **OK**.

To Record Completion of a Task:

1 In the Log, click the milestone entry with which the task is associated.

2 In the Tasks section of the milestone worksheet, select the check box of the completed task.

-OR-

1 Click **Tasks** on the Tools tab and double-click to open the task.

2 Select the **Completed** check box in the Status section and click **OK**.

NOTE: *A red asterisk to the left of a task's name indicates that completion of the task is required.*

To Delete a Task:

1 Click **Tasks** on the Tools tab and then select an entry from the Tasks list.

2 Click the **Delete** icon and then click **Yes** to confirm that you want to delete the entry.

Recording Communications

Use the Conversation Log to track interactions with the borrower, service providers, and other contacts related to the loan. You can also send alerts to other loan team members requesting follow-up actions.

To Access the Conversation Log:
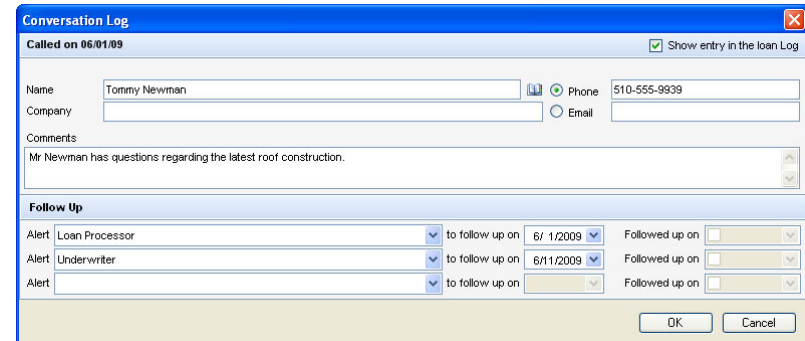
There are four ways to open the Conversation Log. The first three methods open a Conversation Log worksheet containing a list of all entries at the top and a workspace for a single Log entry at the bottom. The third method opens a worksheet for a single Conversation Log entry.

• In the Log, click the **New** icon, select **Conversation Log**, and then click **OK**.

• Or, click the **Tools** tab, and then click **Conversation Log**.

• Or, click a **Phone** or **Email** icon. A Conversation Log worksheet opens that corresponds to the contact and the open loan.

• 👤 👤 Or, click a **Borrower Contact** or **Business Contact** icon for a contact (found in the Default Providers tool, File Contacts tool, Pipeline, and Loan Workspace). After you click an icon, click a **phone number** or **email address**. A Conversation Log worksheet opens that corresponds to the contact and the open loan.

> *NOTE: If you click an **email address**, a new Microsoft Outlook email message window opens also. If you would like the content of the email message to become part of the loan file, simply copy and paste the message from Outlook to the Conversation Log worksheet.*

To Create a Conversation Log Entry:

1 Enter (or change) the Name and Company with whom the conversation took place, or click the **File Contacts** button to select a name from the file contacts for the loan.

2 Select the **Phone** or **Email** radio button to indicate the type of conversation.

You can enter the phone number or email address if not already filled.

3 In the Comments section, enter information related to the conversation.

4 If you do not want the Conversation Log entry to appear in the Log, clear the **Show entry in the loan Log** check box.

The entry will still be accessible from the Conversation Log list.

5 To request follow up by a loan team member, in the Follow Up section, select a role, and then set the due date.

A separate follow-up entry (with red text) is created in the Log and the alert displays on the loan team member's Pipeline for the loan.

To Edit a Conversation Log Entry:

1 Click the specific entry in the Log or click **Conversation Log** on the **Tools** tab and then click the entry in the conversation list.

2 Make additions in the New Comments section as required.

3 Select the **Edit log** check box to make changes to comments in the Previous Comments section as required.

NOTE: *Depending on your Encompass server settings, once you exit a loan, you may not be permitted to edit a Conversation Log entry. You can however, always add new comments to an entry.*

Using the Status Online Tool

Use the Status Online tool to publish loan status updates to a secure website (the Loan Center or WebCenter or Encompass Consumer Connect) for viewing by your borrowers and partners. You can also use the Status Online tool to customize the update information for each loan.

Publishing Online Status Updates

Each time you publish updates to the website, the items in the Publish list replace the information on the website and an entry is added to the loan Log. You can add, edit, and remove options from the list, even if they have already been published.

To Publish Status Online Updates:

1 Click the **Tools** tab, and then click **Status Online**.

   • You can also click **Yes** in response to the Status Online message when you exit a loan.
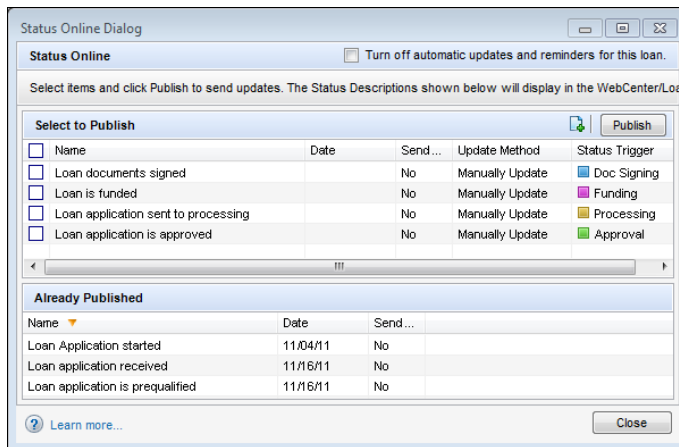
2 Click the **WebCenter** or **TPO WebCenter** tab.

3 In the Select to Publish section, select the check boxes for one or more updates, and then click **Publish**.

   • You can also click the **New** icon to create an template on the fly using the procedure in the Personal Status Online topic.

4 If any of the update templates were configured to send an email message, the Send Notification Email window opens. Edit the email addresses, Subject line, and message as needed.

   • You can select a sender in the From field or select an email template in the Subject field to add a predefined message.

   NOTE: *Templates created on the fly and edits made to email templates are not saved in the Company Status Online or Personal Status Online settings.*

5 Click **Send**.

   • Or click **Skip This Email** to publish the update to the WebCenter Encompass Consumer Connect, or Loan Center without sending the email notification.

6 Click **OK** when the confirmation messages displays.

   NOTE: *A standard email containing a link to the WebCenter, Loan Center, or Encompass Consumer Connect is sent. The email recipients create their own login information, log in to the website, and then view the data on the website. The only way your borrowers and partners can access the website is by receiving a Status Online email.*

7 After an update is published, it is listed in the Already Published section.

Requesting Documents From Borrowers

Use the Request button on the eFolder Documents tab or the Request Docs button on the eFolder condition tabs to request documents from borrowers. When you request a borrower document, the Status is changed to **Expected** and the Date is set to the expected date. The details of the request are also reflected in the Loan Log.

NOTE: *A message will display if your administrator has not given you permission to request documents or services, and the **Request Docs** button is enabled on the condition tabs, only if your administrator has given you permission to request documents.*

You can request two types of borrower documents, which borrowers can return by fax or email:

• **Sign and Return** - These documents are sent to the borrower and contain loan data (such as a 1003). The borrower prints, signs, and returns the documents.

• **Needed Documents** - These documents are provided by the borrower (such as a pay stub).

For detailed information about requesting documents from borrowers, refer to "Request Documents and Settlement Services" on page 261.

Requesting Settlement Services

You can also order settlement services electronically from the eFolder. When you request a settlement service, the Status is changed to **Ordered** and the Date is set to the ordered date. The details of the request are also reflected in the Loan Log.

For detailed information about requesting settlement services, refer to "Request Documents and Settlement Services" on page 261

Checking and Responding to Alerts

If a loan has one or more alerts, an **Alert** icon displays in the Alerts column on the Pipeline.   For more details, refer to "More About Alerts" on page 15.

• The number of pending alerts is displayed on the icon.

NOTE: If the Alert column is not displayed, customize your columns to add it to your Pipeline.

To Check and Respond to Alerts:

1 view alert details, click the **Alert** icon.

    • The Loan Alerts window opens.
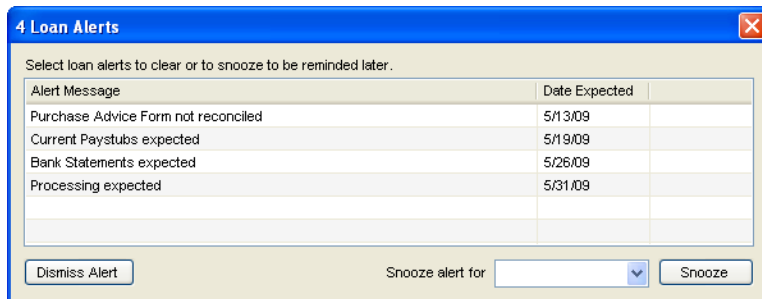
2 To dismiss an alert, select one or more alerts, and then click **Dismiss Alert**.

    • The alert is removed from the Pipeline, but is not deleted. The alert still displays in the Loan Log and the loan file.

3 To be reminded about an alert later, select one or more alerts, select a time period from the Snooze alert for drop-down list, and then click **Snooze**.

4 To reactivate an alert that you dismissed or snoozed alert, right-click the alert, and then click **Reactivate**.

Clear Alerts

Respond to and clear alerts as described here. Refer to Chapter 5, "Working with RESPA-TILA and HOEPA Regulations" for the steps needed to respond to and clear the Compliance alerts.

Milestone Alerts

• Milestone Expected - Complete the required milestone tasks, and then select the **Finished** check box on the milestone worksheet.

    • Or, click the **Days to Finish** down arrow on the milestone worksheet to adjust the expected completion date and allow more time.

    • Or, click the **Change Milestone Date** link next to the expected completion date field to change the date in the Change Milestone Dates window.

• Milestone Finished - The alert is cleared when the assigned loan team member clicks the **Accept File (Clear Alert)** button on the milestone worksheet.

Conversation Log Alerts

On the worksheet associated with the alert:

• Perform the required follow-up action, and select the **Followed up on** check box.

• Or, change the required to follow up on date to allow more time.

• Or, clear the assigned role from the Alert text boxes.

Task Alerts

• Task Expected - Click the **Completed** check box on the Task worksheet or update the **to follow up on** date on to extend the follow up period.

• Task Follow Up - Clear these alerts by changing the **Followed up on date** on the Task worksheet.

Documents Alerts

• For ordered documents - On the Document Details window, select the **Received** check box, or increase the **Days to Receive** value to allow more time.

• For expiring documents - On the Document Details window, select the **Re-requested** check box, or increase the **Days to Expire** value to allow more time.

Rate Lock Alerts

• Rate Lock Request - On the Secondary Lock Request for the request, review the request and complete buy-side and sell-side lock and pricing information. Click the Lock and Confirm button to clear the alert.

• Rate Lock Confirmation - Complete and then select the **Finished** check box on the Completion milestone worksheet.

    • Or, click the entry in the Log and then click **Clear**.

- Rate Lock Expiration - Complete the loan, and then select the **Finished** check box on the Completion milestone worksheet.
  - Or, change the Lock Expires date on the Borrower Summary form to extend the rate lock.
  - Or, click the entry in the Log and then click **Clear**.
- Rate Lock Denied - Click the alert in the Log, and then click the **Clear Alert** button in the upper-right of the Lock Denied screen.
- Lock Cancellation Requested - Click the alert in the Log, and then click the **Clear Alert** button in the upper-right of the Lock Cancellation Requested screen.
- Lock Cancelled - Click the alert in the Log, and then click the **Clear Alert** button in the upper-right of the Lock Cancelled screen.

Preliminary Condition Expected and Underwriting Condition Expected

- Change the **Days to Receive** value on the Preliminary Condition Details window or Underwriting Condition Details window to extend the number of days until the condition is expected.

Post Closing Condition Expected

- Change the **Days to Receive** value on the Post-Closing Condition Details window to extend the number of days until the condition is expected.

Escrow Disbursement Due

- On the Interim Servicing Worksheet, make the required escrow payment.

Borrower Payment Past Due

- On the Interim Servicing Worksheet, enter a payment that brings the account to a current status.

Statement Printing/Mailing Due

- Print the mortgage statement specified in the Servicing tool on the Encompass Setting screen. By default, the form is the Mortgage Loan Statement, which can be accessed on the Custom Forms tab of the Print window.
- Or, change the Statement Date on the Interim Servicing Worksheet to delay the requirement.

Purchase Advice Form Does Not Balance

- Reconcile the difference in the Reconciled Difference field (field ID 2629) on the Purchase Advice Form.

Task Expected and Task Follow Up

- Task Expected - Click the **Completed** check box on the Task worksheet or update the to follow up on date on to extend the follow up period.
- Task Follow Up - Clear these alerts by changing the Followed up on date on the Task worksheet.

Shipping Expected

- On the Shipping Detail, enter an Actual Ship Date.

Compliance Review

- Click the alert on the Alerts & Messages tab to view the compliance review report. Click the **Clear Alert** button in the upper-right corner of the alert.

Registration Expiration

- Update the Registration Expires field (field ID 2824) on the Borrower Summary to extend the registration period.

Redisclose REGZ-TIL (APR Change) (Mortgage Disclosure Improvement Act (MDIA))

- Print the REGZ-TIL and send it (via fax or mail) to the borrower.
  - After printing the form, click Yes when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the REGZ-TIL using the eFolder.

Closing Date Violation (MDIA)

- Change the Estimated Closing Date on the Borrower Summary form (field ID 763) to a date later than the Earliest Closing Date (field ID 3147 on the Disclosure Tracking tool).

Send Initial Disclosures (Real Estate Settlement Procedures Act (RESPA))

- Print the required disclosures and send the disclosures (via fax or mail) to the borrower.
- Or, create and send an electronic disclosure to the borrower using the eFolder.
- Or, click the **Send Initial Disclosures** entry on the Alerts & Messages tab in the Log. In the Send Initial Disclosures alert summary, click the **Send eDisclosures** button.
  - After you send the disclosure, an entry is automatically added to the Disclosure Tracking tool and the alert is cleared.
  Required Disclosures Based on Channel Type

- The disclosures that must be sent to the borrower to clear the alert vary based on the type of lending channel selected on the loan's Borrower Summary (field ID 2626):
  - **Brokered:** Only the GFE or LE must be disclosed.
  - **Banked - Retail:** Both the REGZ-TIL and GFE must be disclosed or only the LE must be disclosed.
  - **Correspondent:** Both the REGZ-TIL and GFE must be disclosed or only the LE must be disclosed.
  - **Banked - Wholesale:** Both the REGZ-TIL and GFE must be disclosed or only the LE must be disclosed.
    - When the Banked - Wholesale channel is selected <u>and</u> the GFE Disclosed by Broker check box (field ID 3136) is selected on the GFE, only the REGZ-TIL must be disclosed or the LE must be disclosed.
  - **No channel selected:** Both the REGZ-TIL and GFE must be disclosed or only the LE must be disclosed.

GFE Expires

- On the 2010 GFE form:
  - Lock the rate and enter the Rate Locked Date (Field ID 761).
  - Or, select the **Borrower intends to continue with this loan** check box.
  - Or, update the Lock Expiration Date (Field ID 762) to extend the expiration period.

Redisclose GFE (Rate Lock) (RESPA)

- Print the GFE and send it (via fax or mail) to the borrower.
  - After printing the GFE, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the GFE using the eFolder.

Redisclose GFE (Changed Circumstances) (RESPA)

- Print the GFE and send it (via fax or mail) to the borrower.
  - After printing the GFE, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the GFE using the eFolder.

HUD-1 Tolerance Violated (RESPA)

- Update the necessary values on the 2010 HUD-1 Page 2 form so the line item values in the Charges that Cannot Increase section of the 2010 HUD-1 Page 3 form are equal.
- Or, update the necessary values on the 2010 HUD-1 Page 2 form so that the total of the Increase between GFE and HUD-1 Charges (Field ID NEWHUD.X315) on the 2010 HUD-1 Page 3 form is not more than 10%.
- Or, click the **HUD-1 Tolerance Violated** entry on the Alerts & Messages tab in the Log.
  - In the HUD-1 Tolerance Violated summary, select the field that triggered the alert and click **Go to Field**. There you can see the value that must be updated to clear the alert.
  - Or, in the HUD-1 Tolerance Violated summary, click **Cure Tolerance**. Type the means in which you are resolving the violation and select the date it was resolved in the HUD-1 Tolerance Resolution window.
- Or, rectify the amount due to the borrower (for example, send a check to borrower), locate the **Tolerance Cure** section at the bottom of the HUD-1 Page 3 form, and then type the means by which the violation was resolved, who resolved it, and the date it was resolved.

Ability-to-Repay Loan Type Not Determined (ATR/QM)

- Use the ATR/QM Management form to indicate that the loan is exempt from Regulation Z Ability-to-Repay (ATR) regulations, meets the General ATR standards, or meets qualified mortgage standards. Encompass automatically populates the Ability-to-Repay Loan Type field (field ID QM.X23) based on the data entered on the ATR/QM management form and the alert is cleared.
- Or, on the ATR/QM Eligibility tab in the ATR/QM Management form, click the blue **Lock** icon and select an option from the Ability-to-Repay Loan Type drop-down list (field ID QM.X23).

Qualified Mortgage Type Not Determined (ATR/QM)

- Use the ATR/QM Management form to indicate that the loan meets qualified mortgage standards. Encompass automatically populates the Qualified Mortgage Loan Type field (field ID QM.X24) based on the data entered on the ATR/QM management form and the alert is cleared.
- Or, on the ATR/QM Eligibility tab in the ATR/QM Management form, click the blue **Lock** icon and select an option from the Qualified Mortgage Loan Type drop-down list (field ID QM.X24).

QM Safe Harbor Eligibility Not Determined (ATR/QM)

- Use the ATR/QM Management form to indicate that the loan qualifies for safe harbor from ATR/QM regulations. Encompass automatically populates the *Is Loan Eligible for Safe Harbor?* field (field ID QM.X25) based on the data entered on the ATR/QM management form and the alert is cleared.
- Or, on the ATR/QM Eligibility tab in the ATR/QM Management form, click the blue **Lock** icon and select an option from the *Is Loan Eligible for Safe Harbor?* drop-down list (field ID QM.X25).

Residual Income Assessment Recommended (ATR/QM)

- Review the ATR/QM Management form's Appendix Q tab and ensure you have considered the consumer's remaining income after subtracting the consumer's total monthly debt obligations from their total monthly income. Note that the CFPB has not issued official guidelines or requirements around residual income.

  NOTE: This alert is a recommendation only and does need to be addressed or cleared for the loan to qualify as a qualified mortgage.

General QM DTI Exceeded (ATR/QM)

- According to CFPB, total DTI for the transaction must be less than or equal to 43%. Ensure the ATR/QM Management form's Total Debt Ratio field (field ID QM.X119) associated with the maximum payment in the first five years is less than or equal to 43.000.

General QM Loan Feature Violation (ATR/QM)

- This alert is triggered when loan repayment data does not meet the standards for a General Qualified Mortgage. Review the data entered in the *Interest Only* (field ID 2982), *Prepayment Penalty Period* (field ID RE88395.X316), *Prepayment Penalty* (field ID QM.X112), and *The result of Points & Fees Test does not exceed the threshold for Qualified Mortgages* (field ID (QM.X124) fields on the ATR/QM Management form's Qualification tab and the *Even if you make pmts on time, can your loan balance rise* (field ID NEWHUD.X6) and *Does your loan have a balloon payment* (field ID 1659) fields on the 2010 GFE and make the updates necessary to meet General Qualified Mortgage standards.

Ability-to-Repay Exemption Reason Not Determined (ATR/QM)

- In the ATR/QM Exemption Eligibility section at the bottom of the ATR/QM Management form's ATR/QM Eligibility tab, if you have selected the check box to indicate the transaction is exempt from ATR requirements (field ID (QM.X103), select at least one associated check box and select an option from the associated drop-down list to indicate the reason the transaction is exempt.

AUS Data Discrepancy (ATR/QM)

- Review the loan data that was changed since the most recent Automated Underwriting Service (AUS) decision was returned and then request automated underwriting from a provider. The alert is cleared when the AUS returns its decision.

Positive Aggregate Escrow Adjustment

- The alert informs you that a positive adjustment exists and suggests you either move a portion of the escrow items to prepaid (section 900 on the 2015 Itemization) or click the Lock icon for the Aggregate Adjustment amount (field ID 558) to accept and retain the positive number. Click the link in the alert to open the 2015 Itemization input form at the Aggregate Escrow field on line 1011. The alert clears when the Aggregate Adjustment amount (field ID 558) is locked or when the field recalculates to be equal to or less than 0.

Custom Alert

- On the alert worksheet associated with the alert:
  - Click the **Clear Alert** button displayed in the upper-right corner (if available).

    *NOTE: Clicking the **Clear Alert** button clears the alert from the Log and the Pipeline, but does not affect the values in the trigger fields.*

  - Or, select a field in the Trigger Fields list, click **Go to Field**, and then update the value. Repeat these steps for additional trigger fields as needed.

Secure Form Transfer

Use the Secure Form Transfer tool to securely transfer loan forms to the borrower and other appropriate individuals. Transferred forms are converted to .pdf format and an email is sent to the recipient. The email contains instructions for accessing the forms through a secure channel. To retrieve the forms, the recipient must know the last four digits of the borrower's social security number.

To Open the Secure Form Transfer Tool:

- On the Loan tab, click the **Tools** tab, and then click **Secure Form Transfer**.
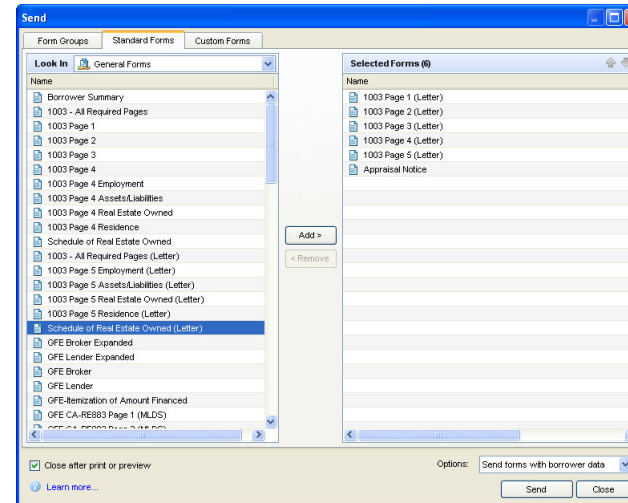
Selecting and Sending Forms

Use the **Form Groups**, **Standard Forms**, and **Custom Forms** tabs to select the forms you want to send. As you select the forms, they are added to the Selected Forms list on the right. After you finish selecting the forms, you are ready to send them to the recipient.

To Select and Send a Form:

1 On the **Tools** tab, click **Secure Form Transfer**.

2 Select the forms to send as follows:

- Click the **Form Groups** tab, and then select a Public or Personal forms group.

- Or, click the **Standard Forms** tab and then click a category of forms (such as **Verifications**).

- Or, click the **Custom Forms** tab and select the Public or Personal folder containing the custom forms.

3 Select forms from the left-hand list and click **Add**.

- The selections are added to the Selected Forms list on the right.

4 On the Selected Forms list:

- Select a form and click the **Up** or **Down** arrows to change the print order.

- Select a form and click **Remove** to remove it from the list.

5 Click **Send**.

6 On the Send window, click the **From**, **Mail To**, and **CC** buttons to select recipients from the loan's file contacts.
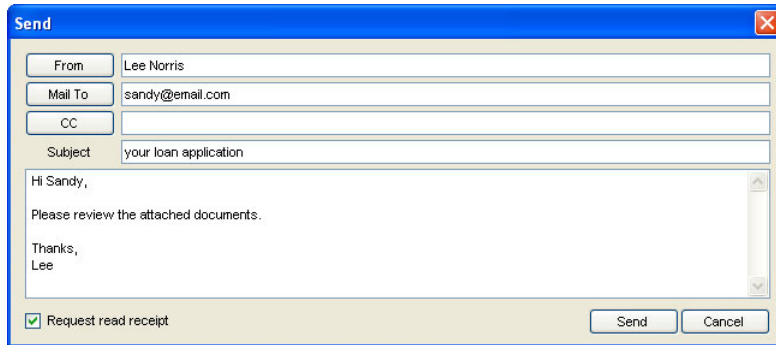
NOTE: File contacts without email addresses do not display on the selection list.

7 Type a Subject and Message.

8 Select **Notify me when the recipient has received the message** to receive a notification when the recipient opens the email.

9 To select other users who will receive email notifications when the recipient has received the message, click the **Notify Additional Users** button, add loan team users as described below, and then click **Save**.

To Notify Additional Users Who Are Loan Team Members:

1 Click the **Find** icon (magnifying glass) in the **Add users to be notified** section.

2 Select a user from the list and click **OK**

3 Enter a Notify Through date (after the selected date, the user will no longer receive notifications) and then click **Add**.

4 Click **Save**.

To Notify Additional Users Who Are Not Loan Team Members:

1 Enter an address in the Email Address field.

2 Enter a Notify Through date (after the selected date, the user will no longer receive notifications), and then click **Add**.

3 Click **Save**.

10 Click **Send**.

An email is sent to each recipient with instructions for retrieving the forms and a link to the WebCenter, Encompass Consumer Connect, or Loan Center website. The email recipients create their own login account, log in to the WebCenter, Encompass Consumer Connect, or Loan Center, and then view the documents on the website.

- **WebCenter users only:** By default, to retrieve forms, borrowers are required to log in to the WebCenter site belonging to the Encompass user who sends the forms to them. If multiple Encompass users send forms, the borrower will be required to create log in accounts for each WebCenter site to retrieve the forms.

- Your administrator can use the WebCenter Configuration setting to enable borrowers to use the same WebCenter site to retrieve, send and return forms regardless of who sends the forms. Borrowers can then create and use just one log in account to manage their forms.

Printing Forms and Log Entries

Use the Print tool to print forms and log entries, as well as add forms to the eFolder. You can:

- Print individual and groups of forms.

- Set the order of printing for multiple forms.

- Print forms with borrower data, field IDs, or blank fields.

- Convert a form to a PDF and add it to the eFolder

To Print or Preview Forms:

1 On the Pipeline or Loan tab, click the **Print** icon.
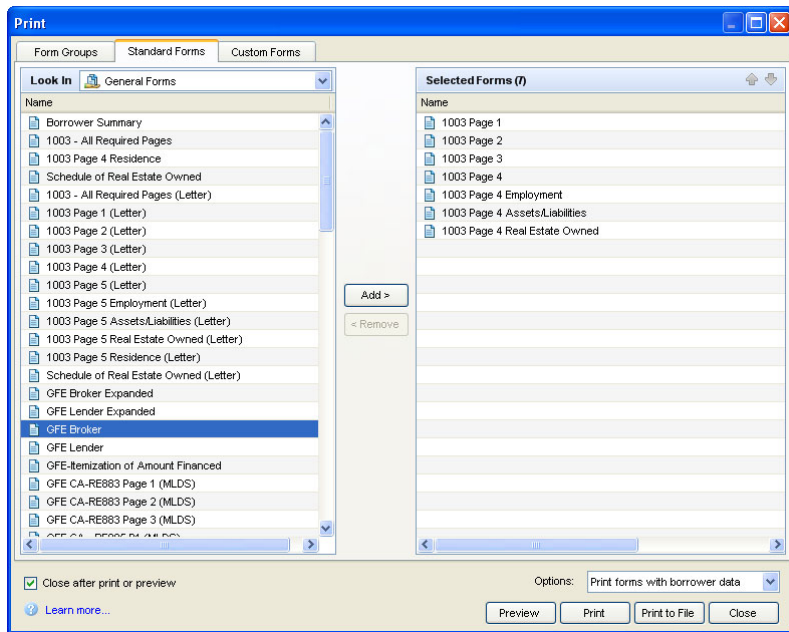
2 On the Print window, select the forms to print as follows:

   • Click the **Form Groups** tab, and then select a Public or Personal forms group

   • Or, click the **Standard Forms** tab and then select a category of forms (such as **Verifications**)

   • Or, click the **Custom Forms** tab and select the Public or Personal folder containing the custom forms.

3 Select forms from the left-hand list and click **Add** to move them to the Selected Forms list.

4 On the Selected Forms list:

   • Select a form and click the **Up** or **Down** arrows to change the print order.

   • Select a form and click **Remove** to remove it from the list.

5 From the Options list, select one of the three printing options.

   *TIP:Use the **Print forms with field IDs** option to print the forms with the source field IDs in each field.*

6 Click **Print** to send the forms directly to a selected printer, or click **Preview** to preview the forms first.

   TIP:When you preview a form from the Custom Forms tab, it is previewed in Microsoft Word. You can then make changes prior to printing. The changes apply only to the current print session.

To Print or Preview Log Entries:

1 On the Pipeline or Loan tab, click the **Print** icon.

2 On the Print window, select the **Standard Forms** tab.

3 Select **Tools** from the Look In drop-down list.

4 Select **Loan Log Entries** from the left-hand list and click **Add** to move it to the Selected Forms list.

   • You can also click **Conversation Log Entries** and click **Add** to move it the Selected Forms list.

5 On the Selected Forms list:

   • Select an item and click the **Up** or **Down** arrows to change the print order.

   • Select an item and click **Remove** to remove it from the list.

6 Click **Print** to send the log entries directly to a selected printer, or click **Preview** to preview the entries first.

To Add Forms to the eFolder

1 On the Pipeline or Loan tab, click the **Print** icon.

2 On the Print window, select the forms to print as follows:

   • Click the **Form Groups** tab, and then select a Public or Personal forms group

   • Or, click the **Standard Forms** tab and then select a category of forms (such as **Verifications**).

   • Or, click the **Custom Forms** tab and select the Public or Personal folder containing the custom forms.

3 Select forms from the left-hand list and click **Add** to move them to the Selected Forms list.

4 On the Selected Forms list:

   • Select a form and click the **Up** or **Down** arrows to change the print order.

   • Select a form and click **Remove** to remove it from the list.

5 Click **Add to eFolder** to convert the forms to PDF files and add them to the File Manager in the eFolder.

   • The forms are added to the Unassigned Files list in the File Manager. There you can re-name and modify the forms, as well as associate them with a document. View the eFolder help topic for more information.

Ordering 4506-T Services

On the Request for Transcript of Tax form, use the **Order 4506-T** button to validate borrower tax information by ordering 4506-T reports electronically.

To Order a 4506-T Report Electronically:

1 Open a loan file in Encompass, click the **Forms** tab on the lower-left, click **Request for Transcript of Tax**.

2 Select the **Default to TQL Rules** check box to populate the form with the default information below:

   • **Section 6**- 1040 is enter in the tax form number field.

   • **Section 9** - End dates for the previous two years are enter for the Year or Period Requested.

3 Complete the remaining fields as described in the Encompass Help.

4 Click the **Order 4506-T** button.

NOTE: *If required fields are missing from the loan file, a message window displays the field IDs. Complete the fields and then click the **Order 4506-T** button again.*

5 When the Order 4506-T Report window opens, review or complete the following information:

• **Report Information** – Content is populated from the Request for Tax Transcript input form. Click the **Attach** icon to browse and attach an electronic copy of the signed 4506-T consent form from your hard drive. Click the **Delete** icon to delete the attachment.

NOTE: *Note: The IRS requires that the borrower sign the 4506-T consent form within 120 days of the request. If Section 8 transcripts are being ordered for a joint return, the spouse's signature is also required.*

• **Products** – Select one or more products to order, and then select a transcript Option from the list.

• **Transcript Years** – Select one or more years for the order.

• Contact Information - Enter email addresses (separated by semi-colons) for individuals who receive notifications when the order status changes, or click the Find icon to select Encompass users. By default the current user's email address is populated.

• **Corporation Information** – If you select the 1065 or 1120 product option, enter the corporate name and EIN number for the business for which you are requesting the report.

• **Comments** – Enter comments in the Comments field as needed.

6 When finished, click the **Order** button.

Checking the Status of an Order

After you place an order, click the Check Status button to open the 4506-T Report Results window, which displays the status information in the three sections described below.

When you click the Check Status button, any order that has been returned will be automatically imported into the eFolder.

Selecting an Order

The Select an Order section displays an entry for each order that has been submitted. After you select an entry in the Select an Order section, you can view documents that have been returned for the order or update the order by using the Select Documents to View section or the Update Order section. Each entry in the Select an Order section contains the following information:

- Order No.
- Order Date
- Product Name
- Status
  - **Submitted** - The order has been submitted successfully.
  - **Unassigned** - The order has been submitted, but processing has not begun.
  - **In Process** - Processing has begun.
  - **Waiting for Form** - The signed authorization form was not uploaded. An update is required.
  - **Waiting for Client Action** - An update with a corrected signed authorization form is required.
  - **Sent to IRS** - The order has been sent to the IRS.
  - **IRS Rejected** - The IRS has rejected the order.
  - **Canceled** - The order has been canceled.
  - **Completed** - The order has been completed.
  - **Retrieved** - The order has been completed and retrieved into Encompass.
  - **Imported** - The retrieved order has been imported into the eFolder.
- An indicator that the transcripts were ordered for the borrower (B), co-borrower (C), or both (B/C)

Click the **View Details** link to open the Order Details window, which allows you to view additional information about an order, read comments that have been entered, and access a link to view the 4506-T consent form signed by the borrower.

To Search for an Order:

1 Click the **Find** icon in the Select an Order section.

2 Enter an Order Number and select a Product from the list.

3 If you are searching for a business transcript, enter the EIN Number.

4 Click **Search**.

5 If the status of the order is not **Complete**, the order will be added to the list of orders on the 4506-T Report Results window.

6 If the order is complete, the Order Search Results window opens and displays details of the order.

Select Documents to View

After you select an order, use the Select Documents to View section to select a document associated with the order. Click the **Document** icon to view the selected document in a preview window.

Updating Order

After you use the Select an Order section to select an order, you can use the Update Order section to enter comments or attach an electronic copy of the 4506-T consent form that was signed by the borrower.

- Enter comments as needed in the Comments field.
- Click the **Attach** icon to browse and attach an electronic copy of the form from your hard drive.

Submitting ULDD/PDD Fields

NOTE: Loans delivered to Fannie Mae or Freddie Mac after July 23, 2012 must be delivered using the new ULDD data format. Fannie Mae and Freddie Mac Require that loan applications accepted after December 1, 2011 to be delivered after July 23, 2012 contain all required ULDD fields. In accordance with these requirements, Encompass will be updated to allow for entry of the new ULDD fields and to support the export of this data to the ULDD data format.

NOTE: Ginnie Mae has not yet finalized when the new PDD data format will be implemented.

Use the ULDD/PDD form to enter fields that are required when submitting loans to Fannie Mae, Freddie Mac, and Ginnie Mae.

- The ULDD (Uniform Loan Delivery Dataset) is a set of common requirements jointly developed by Fannie Mae and Freddie Mac for use when delivering loans using the   MISMO Version 3.0 standard.
- The Pool Delivery Dataset (PDD) is a set of requirements developed by Ginnie Mae for use when delivering single family forward loans using the MISMO Version 3.3 standard. The PDD is specific to Ginnie Mae and contains some unique data points that may not be part of other MISMO compliant datasets.

Use the Fannie Mae, Freddie Mac, or Ginnie Mae tab at the top of the form to display the list of fields for the appropriate agency. After the fields are complete, you can export the ULDD or PDD form for one or more loan files to an XML file, which you can store on your computer and submit to the Fannie Mae, Freddie Mac, or Ginnie Mae website. For detailed information about the content of the fields, contact your Fannie Mae, Freddie Mac, or Ginnie Mae representative.

For a list of Fannie Mae credit information providers, visit:

https://www.fanniemae.com/content/datagrid/credit_provider/cpsortbyname.html

For a list of reporting companies and technical affiliates for Freddie Mac, visit:

http://www.loanprospector.com/about/crc.html

To Validate Field Content:

1   To validate field entries at any time, open a loan file, click the **Forms** tab on the lower left, and then click **ULDD**.

2   Select the **Fannie Mae**, **Freddie Mac**, or **Ginnie Mae** tab at the top of the form.

3   Click the **Validate Export** button to validate that the correct data is included in the required loan fields.

   • If required fields are not completed, a message will display the missing fields, and the fields will be highlighted on the form.

4   Complete the missing fields, and then click the **Validate Export** button.

   • A message displays when all required fields are complete and the file is ready for export.

To Export Data from a Loan File to Fannie Mae, Freddie Mac, or Ginnie Mae File:

1   Open a loan file, click the **Forms** tab on the lower left, and then click **ULDD**.

2   Select the **Fannie Mae**, **Freddie Mac**, or **Ginnie Mae** tab at the top of the form.

3   Click the **Export** button.

   NOTE: The Ginnie Mae export has not been finalized and must be validated and tested with Ginnie Mae. It will be available in a future release of Encompass.

   • If required fields are not completed, a message will display the missing fields, and the fields will be highlighted on the form.

4   Complete the missing fields, and then click the **Export** button.

5   Click the **Find** icon to navigate to the location where you want to save the file.

   • Or, enter the path to the location in the **Export** to field.

6   Click **OK** to export the file.

To Export Data for Selected Loans to Fannie Mae, Freddie Mac, or Ginnie Mae XML File from the Pipeline:

1   On the Encompass Pipeline, select one or more loan files with the data you want to export.

2   On the menu bar, click **Pipeline**, and point to **GSE Services**.

3   To export Fannie Mae data, point to **Export ULDD to Fannie Mae**, and then click **Selected Loans Only**.

   • Or, to export Freddie Mac data, point to **Export ULDD to Freddie Mac**, and then click **Selected Loans Only**.

   • Or, to export Ginnie Mae data, point to **Export PDD to Ginnie Mae**, and then click **Selected Loans Only**.

   NOTE: The Ginnie Mae export has not been finalized and must be validated and tested with Ginnie Mae. It will be available in a future release of Encompass.

4   If required fields are missing from the selected loans, the Export Problem window will open with a list of all the selected loans. The Export Status column will display a **Problem** entry for loans with missing fields.

5   Double-click a Problem loan to open it. The missing fields will be highlighted on the form.

6   Complete the missing fields, save and close the file, and then return to step 1.

7   Click the **Find** icon to navigate to the location where you want to save the file.

   • Or, enter the path to the location in the **Export to** field.

8   Click **OK** to export the file.

To Export Data for All Loans to an XML File:

1   On the Encompass Pipeline, click the **Pipeline** menu.

2   Point to **GSE Services**.

3   To export Fannie Mae data, point to **Export ULDD to Fannie Mae**, and then click **All Loans on All Pages**.

   • Or, to export Freddie Mac data, point to **Export ULDD to Freddie Mac**, and then click **All Loans on All Pages**.

   • Or, to export Ginnie Mae data, point to **Export PDD to Ginnie Mae**, and then click **All Loans on All Pages**.

4   If required fields are missing from the selected loans, the Export Problem window will open with a list of all the selected loans. The Export Status column will display a **Problem** entry for loans with missing fields.

5   Double-click a Problem loan to open it. The missing fields will be highlighted on the form.

6   Complete the missing fields, save and close the file, and then return to step 1.

7   Click the **Find** icon to navigate to the location where you want to save the file.

   • Or, enter the path to the location in the **Export to** field.

8   Click **OK** to export the file.

Submit the File to Fannie Mae, Freddie Mac, or Ginnie Mae

After you create the file, exit Encompass, and then submit the file to Fannie Mae, Freddie Mac, or Ginnie Mae. If fields contain incorrect data, Fannie Mae, Freddie Mac, or Ginnie Mae returns a list of the fields. You can open Encompass and correct the entries.

To Submit to Fannie Mae:

1 Open the Fannie Mae Loan Delivery Job Aids website at:

   https://www.efanniemae.com/lc/technology/loandelivery/toolbox/index.jsp

2 In the left navigation panel, click **Delivering Whole Loans**, and then click **Importing loan and Commitment Data**.

3 Follow the instructions on the web page.

To Submit to Freddie Mac

1 Open the Freddie Mac website at:

   https://sell.freddiemac.com

2 Enter your login credentials, and then follow the instructions on the Freddie Mac web site.

To Submit to Ginnie Mae

1 Open the Ginnie Mae website at:

   https://www.ginnienet.net/GinnieNET

2 Enter your login credentials, and then follow the instructions on the Ginnie Mae web site.

Critical Error Messages

Freddie Mac returns critical edit messages related to the following delivery data:

• **Loan-to-value (LTV)**

   If you deliver incomplete data for loans with secondary financing, you will receive one or more critical LTV edits. The critical feedback messages ensure that the following requirements are met:

   • The Seller-delivered base LTV equals the Freddie Mac calculated base LTV.

     • If the Purpose of Loan (field ID 19) on the Freddie Mac ULDD Input Form tab is equal to Purchase, Construction, or Construction-Perm, then divide the Base Loan Amount (field ID 1109) by the lesser of the Sales Price (field ID 136) or Appraised Value (field ID 356).

     NOTE: Replace the Appraised Value with the Estimated Value (field ID 1821) if the Appraised Value is null.

     • If the Purpose of Loan is equal to Cash-Out Finance or No Cash-Out Finance, then divide the Base Loan Amount by the Appraised Value.

     NOTE: Replace the Appraised Value with the Estimated Value (field ID 1821) if the Appraised Value is null.

   • The Seller-delivered LTV equals the Freddie Mac calculated LTV. (Refer to the LTV field (field ID 353) on the Freddiie Mac ULDD Input Form tab.)

   • The Seller-delivered combined LTV equals the Freddie Mac calculated combined LTV. (Refer to the TLTV field (field ID 975) on the Freddiie Mac ULDD Input Form tab.)

   • The Seller-delivered home equity combined LTV equals the Freddie Mac-calculated home equity combined LTV. (Refer to the HCLTV/HTLTV field (field ID 1540) on the Freddiie Mac ULDD Input Form tab.)

• **Funds Needed to Close and Secondary Financing Loan Information**

   If the Down Payment Type or the Closing Cost Funds Type is secondary financing closed end or secondary financing home equity line of credit (HELOC), then the *Secondary Financing/Related Loan Information* section must contain the applicable corresponding secondary financing data. For example, if the Closing Cost Funds Type is secondary financing HELOC, related loan information for a HELOC must be provided.

• **Property Address**

   The address listed in the Subject Property Address section must be a physical street address that matches the address on the appraisal if an appraisal was used to determine the value of the subject property. You may continue to provide a P.O. Box address in the Borrower Mailing Address section when the borrower's mailing address is different from the Subject Property Address.

NOTE: If your loan has secondary financing, remember to deliver the appropriate secondary financing data and include the secondary financing in your delivered values calculations.

Generating NMLS Reports

You can generate data needed for a Standard or Expanded NMLS Mortgage Call Report from the Encompass Pipeline and export it to a Microsoft Excel spreadsheet or in XML format. The data can then be uploaded to the NMLS website and applied to a Mortgage Call Report.

The Channel Options setting allows administrators to configure how Correspondent loans and loans with no channel selection (as determined in field 2626) are treated when generating NMLS data reports.

To Generate NMLS Mortgage Call Report Data:

1 Click the **Pipeline** tab in Encompass, click the **Pipeline** menu.

2 Point to **Compliance Services**, then click **Generate NMLS Call Report**.

> *NOTE: Your system administrator controls who can access this feature based on persona, using the Personas tool in Encompass Settings.*

The data for the report is pulled from the Reporting Database in Encompass. If any fields required for the report have not been added to the database, a pop-up window will ask you to contact the Encompass administrator.

- Ask your administrator to open the Reporting Database. Encompass will prompt the administrator to add the missing fields.
- If needed, your administrator can use Business Rule Field Triggers to reset the NMLS Call Report fields.

3 On the NMLS Call Report window, in the Report Options section, select a Format from the drop-down list:

- **Excel - Standard:** Generate data for a Standard Mortgage Call Report in Microsoft Excel format.
- **Excel - Expanded:** Generate data for an Expanded Mortgage Call Report in Microsoft Excel format. The Expanded report is intended for companies that are approved Fannie Mae or Freddie Mac Sellers/Servicers or are Ginnie Mae Issuers.
- **XML - Standard:** Generate data for a Standard Mortgage Call Report in XML.
- **XML - Expanded:** Generate data for an Expanded Mortgage Call Report in XML format. The Expanded report is intended for companies that are approved Fannie Mae or Freddie Mac Sellers/Servicers or are Ginnie Mae Issuers.

> *NOTE: Typically, the XML format is used when generating data for all states in which the company is licensed. The administrator must specify these states using the NMLS Report Setup tool in Encompass Settings.*

4 Select a time period ((a year or three-month period followed by a specific year).

> *NOTE: By default, the 1003 Signature Date (field ID 3261) determines whether a loan file is included in a report for a specified time period. Your administrator can use the NMLS Report Setup tool to designate another date field.*

5 Select a Version. The versions below are selected by default based on the filing period:

- Version 1 is selected by default for the period prior to April 1, 2012.
- Version 2 is selected by default for periods on or after April 1, 2012.
- Version 3 is selected by default for periods on or after January 1, 2014.
- Version 4 is selected by default for periods on or after April 1, 2015.
- Version 5 is selected by default for periods on or after January 1, 2016.

6 If exporting to Microsoft Excel, select **All** or select a state from the list if needed.

7 In the Loan Folders section, select one or more loan folders to include in the report.

8 In the **Applications in Process at the Beginning of the Period** section, enter the number of loan applications that were in process from borrowers and from third parties at the beginning of the period covered by the report (in the appropriate Count field), and then enter the total dollar amount for borrower and third party loans.

- If exporting in XML format, enter the information for each state in which the company is licensed.

> *NOTE: Failure to enter this data may result in an Invalid MCR Schema error when you are uploading this report data to the NMLS website.*

9 Click **Generate**.

- The data for the report is pulled from the Reporting Database in Encompass. If your administrator did not add the required fields to the database in Step 2 above, a pop-up window asks you to contact the Encompass administrator.

10 If all the fields required for the report have already been added to the Reporting Database, a navigation window allows you to select the location where you want to store the Excel spreadsheet.

11 If required NMLS data is missing from one or more loan files in the report (or if the data is invalid), a pop-up warning displays. Click **Yes** to generate an error report in an Excel spreadsheet that lists the missing data and a list of fields that are missing in each loan.

- If you click **Yes**, a navigation window allows you to select the location where you want to store the Excel spreadsheet. Select the location.

> *NOTE: The data in each loan file that will be used when generating NMLS data reports can be accessed from the HMDA Information form within the loan file. Open the HMDA Information form, and then click the **NMLS Report Info** button to open the NMLS Report Information window, where you can view or edit the NMLS data for the loan.*

What report format should I use?

When setting up the NMLS data report, select the Excel format when you want to generate a report, review the report data, and search for potential problems. You can also generate an Excel version at the end of each quarter and save it on your computer to keep a record of your NMLS data reports.

Once you are satisfied the report data is accurate, select the XML format when generating an NMLS data report. When uploading your report data to the NMLS website, it must be uploaded in XML format.

For detailed information about reviewing report data and searching for missing data, refer to the *Recommended Workflow* section of the *Guide to Generating & Uploading NMLS Report Data* white paper on the Encompass Help site.

To Upload the XML File to the NMLS Website:

1 Visit the NMLS Resource Center website at:

   http://mortgage.nationwidelicensingsystem.org

2 Log into the site and then follow the instructions to upload the XML file to the website.

NOTE: At any time you can correct or modify loan data in Encompass, and then repeat this workflow to overwrite the current report on the NMLS website.

Creating and Submitting HMDA Reports

During a calendar year, the information used to create a HMDA report is entered on the Encompass HMDA Information input form for home purchase, home improvement, and refinancing loans as each loan is processed. If your company is required to submit HMDA information, a report containing the HMDA data must be created in Pipe-Delimited file format and submitted to your supervisory agency by March 1 following the calendar year when the data was collected.

To Create a HMDA Report:

1 Click the **Pipeline** tab in Encompass, and then click the **Pipeline** menu.
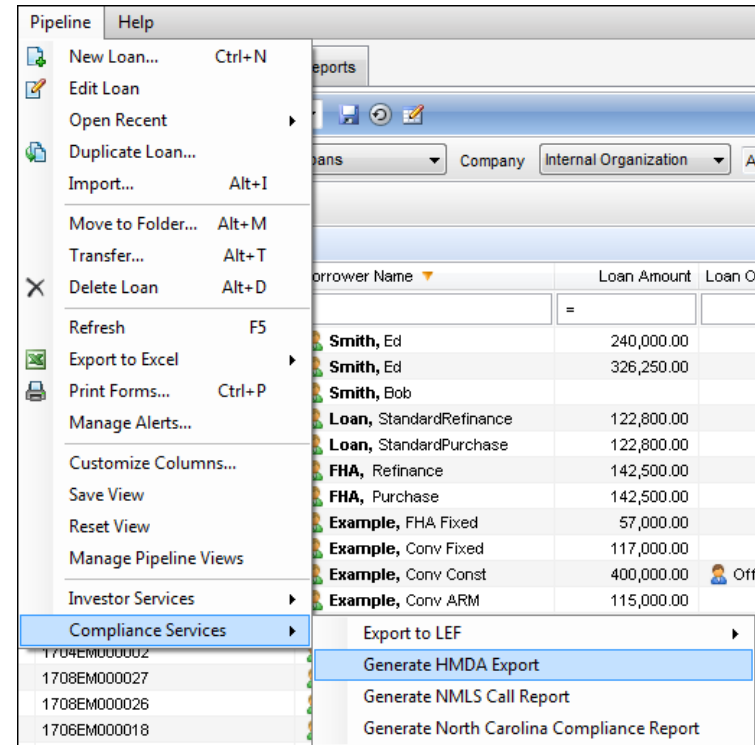
2 Point to **Compliance Services**, and then click **Generate HMDA Export**.

   • The data for the report is pulled from the Encompass Reporting Database. If fields required for the report have not been added to the database, a pop-up window asks you to contact the Encompass administrator.

3 On the HMDA window, most of the information is populated from the HMDA Settings. If the data is not already populated, complete the following fields:

   • Enter your Respondent ID and Tax ID numbers. You can obtain the Respondent ID and Tax ID numbers from your regulatory agency.

   • Select the Agency from the list.

   • Enter the LEI (Legal Entity Identifier) number for your company.

   • Enter the Respondent Contact Information for the individual at your company who is responsible for preparing the HMDA report.

   • Enter your company address in the Parent Mailing Address section.

4 In the Date Range section, select a **From Date** and **To Date** to establish a time period for the loans to include in the report.

5 In the Loan Folders section, select one or more loan folders to use in the report.

6 To save the file to a specified location, type the path name in the Output File Name field or click the **Browse** button to select a location.

7 Use the **Output File Format** drop-down list to select the file format for the export. Data can be exported in Excel or Pipe-Delimited file format.

- Use Pipe-Delimited formatting when submitting the report.

- Use Excel formatting to create a file you can use to view or audit the data.

- Both the Excel and Pipe-Delimited file formats have options for formatting the data according to HMDA 2017 or HMDA 2018 reporting requirements.

8 Click **Submit** to create the file and save it to the selected location.

Submit a HMDA Report

Filers submit their HMDA data using a web interface. Information regarding the HMDA Platform is located at:

http://www.consumerfinance.gov/hmda/for-filers

NOTE: *It is recommended that HMDA filers use the latest version of Google Chrome, Mozilla Firefox, Internet Explorer, Microsoft Edge, or other modern browsers.*

The HMDA Platform walks you through the Loan/Application Register filing process.

Certification also occurs within the HMDA Platform. An authorized representative of your institution with knowledge of the data submitted will certify to the accuracy and completeness of the data submitted.

Chapter 5

Working with RESPA-TILA and HOEPA Regulations

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the Consumer Financial Protection Bureau (CFPB) was directed to integrate the two different mortgage disclosure forms lenders have long been required to provide to consumers applying for a mortgage and the two different forms required at or shortly before closing on a loan into two new forms. The CFPB satisfied this statutory mandate and issued proposed rules and forms on July 9, 2012. After issuing the proposal and working with hundreds of consumers and the new integrated disclosures, the CFPB has finalized a rule with new, integrated disclosures. The rule is the Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z), or the RESPA-TILA rule.

Per the *TILA-RESPA Integrated Disclosure Guide to the Loan Estimate and Closing Disclosure Forms provided by the CFPB*:

> "The first new form (the **Loan Estimate**) is designed to provide disclosures that will be helpful to consumers in understanding the key features, costs, and risks of the mortgage loan for which they are applying. The Loan Estimate must be provided to consumers no later than three business days after they submit a loan application. The second form (the **Closing Disclosure**) is designed to provide disclosures that will be helpful to consumers in understanding all of the costs of the transaction. The Closing Disclosure must be provided to consumers three business days before they close on the loan."

The goal of the new forms is to use clear language and design to make it easier for consumers to locate key information, such as interest rate, monthly payments, and costs to close the loan. The forms are also intended to provide more information to help consumers decide whether they can afford the loan and to compare the cost of different loan offers, including the cost of the loans over time. The final rule applies to most closed-end consumer mortgages with applications received by creditors on or after October 3, 2015.

In accordance with the final rule, Encompass provides a comprehensive set of forms and tools that support the processing of loans according to these regulations:

- **Loan Estimate (LE) input and output forms -** replaces the Good Faith Estimate (GFE) and REGZ-TIL (Truth in Lending) forms
- **Closing Disclosure (CD) input and output forms -** replaces the Closing RegZ (Truth in Lending) and HUD-1 (HUD-1 Settlement Statement) forms

- **2015 Itemization -** replaces the 2010 Itemization form and utilizes new Fee Details pop-up windows that enable the entry of detailed fee information
- **Disclosure Tracking Tool -** replaces the Disclosure Tracking tool for 2010 disclosures and enables tracking of 2015 RESPA-TILA forms and the calculation of disclosure-related dates for the new forms
- **Reg-Z Business Day Calender** (new calendar in the Compliance Calendar setting) - calculates the Earliest Fee Collection Date for loans subject to the 2015 RESPA-TILA regulations
- **RegZ-LE input form -** provides an overview of terms of the loan and enables users to enter or edit information about specific types of loans (for example, ARM mortgages)
- **RegZ-CD input form -** provides an overview of terms of the loan, enables users to edit information about specific types of loans (for example, ARM mortgages), and enables users to order closing documents
- **Fee Variance Worksheet - v**iew the differences between fees currently populated on the 2015 Itemization and the fees disclosed to the borrower on the Loan Estimate and the Closing Disclosure, and enter information about a tolerance violation cure if needed
- **Compliance alerts -** Several alerts are available in the Alerts tool in Encompass Settings to help ensure RESPA-TILA disclosure timing requirements are met.
- **Encompass Compliance Service (ECS) TILA-RESPA Review -** The ECS includes a TILA-RESPA review that performs recalculation and verification of certain disclosures from the LE and CD and tracks disclosure delivery to ensure timing requirements are met

The following pages detail the Encompass setup requirements, the new forms, and the Disclosure Tracking tool that all work together to help keep you compliant with the RESPA-TILA regulations.

To access all of the features described in the guide, you must be logged in to Encompass as the *admin* user ID.

Setup Requirements

The following Encompass setup requirements must be performed by the Encompass administrator in order for authorized users to access and use the RESPA-TILA forms and tools.

- Set options for enabling 2015 RESPA-TILA forms

- Grant User Group access to print RESPA-TILA output forms

- Configure Persona access to RESPA-TILA forms and tools

- Prior to using the Disclosure Tracking Tool, you must specify:

  - Which disclosure documents and disclosure-related events you want to track.

  - Your company's business days for calculating Compliance Timeline dates.

- Which of the compliance alerts you want to use, and how you want to use them.

Options for Enabling 2015 RESPA-TILA Forms

Your Encompass administrator can set a date when 2015 RESPA-TILA forms and tools will be used by default for all new loans. After that default date, users can still configure individual loan files to use the 2015, 2010, or pre-2010 versions of the RESPA-TILA forms if necessary. In addition:

- The field that controls which forms are used for the loan is the RESPA-TILA Form Version field (field ID 3969). This is a hidden field that is not visible in the loan file. When this field is selected, the RESPA-TILA 2015 forms are used. Administrators may create a Persona Access to Fields business rule for this field to control the RESPA-TILA Form Version that is used. When this field's access is set to *View Only / Disabled*, the RESPA-TILA Form Version option on the Forms file menu is disabled. The user will not have the ability to switch between the pre-2010 RESPA forms, 2010 RESPA forms, and the 2015 RESPA-TILA forms, but the user does have access to the input forms themselves.

- When setting up data templates that may be applied to loan files, the administrator may indicate which version of the forms to use for the loan when the template is applied.

- When setting up Closing Costs templates, the administrator may indicate which version of the Itemization form, 2010 or 2015, will be used for the loan when the template is applied.

To Set the Default Date for Using RESPA-TILA 2015 Forms for New Loans:

1 In your Windows task bar, click the **Start** menu or **Start** icon, navigate to the **Ellie Mae Encompass** program folder, and then click **Admin Tools**.

2 Double-click **Settings Manager**.
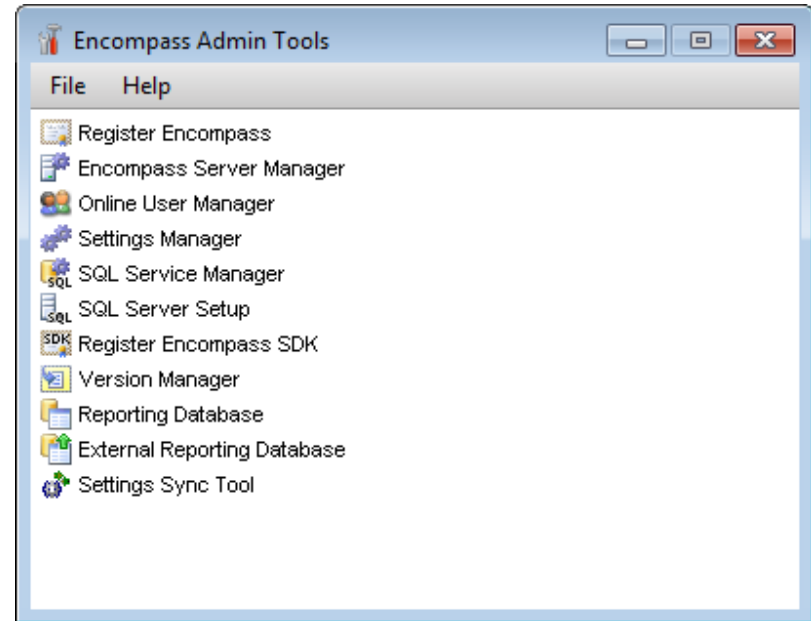
3 If you are prompted to log in to the server, type the User ID, Password, and Server that you use to log in to Encompass as the Admin user.

4 Select **Policies** from the Category list.

5 Double-click the **Default to RESPA-TILA 2015 LE and CD** option, and then type a date in the Value column or click the **Calendar** icon to select a date.
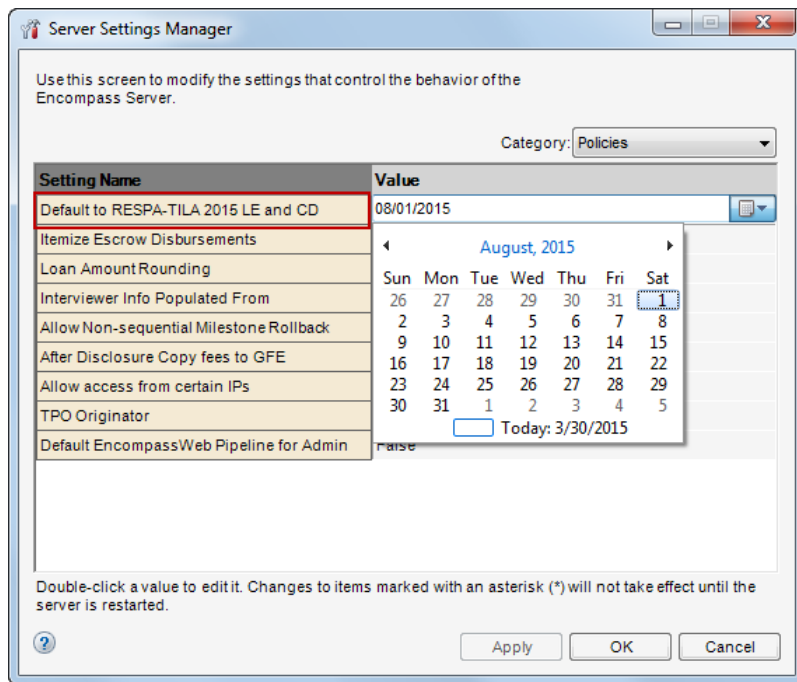
6 Click **Apply** and then click **OK**.

NOTE: If your company uses Input Form Set templates, you must add the new forms to the appropriate templates to display them on the Forms tab by default.

To Use 2015 Forms with Individual Loan Files:

A user can open a loan file and select an option to use the 2015, 2010, or pre-2010 version of the RESPA-TILA forms only for the loan file that is open. The forms used in other loan files are not affected.

NOTE: The option to switch between versions of loan forms is no longer available after a loan has been disclosed to a borrower.

To Use the 2015 Forms:
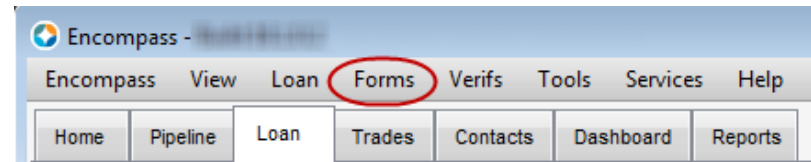
1 Open a loan file.

2 On the menu bar, click **Forms**.

3 At the top of the menu list, point to **RESPA-TILA Form Version**, and then click **RESPA-TILA 2015 LE and CD**.
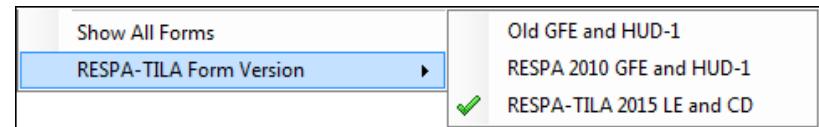
• To switch to the 2010 versions of the forms, click **RESPA 2010 GFE and HUD-1**.

Grant Access to Print Output Forms

To make the new Loan Estimate (LE) and Closing Disclosure (CD) output forms available to users, administrators must grant users access to the forms. Access is granted to user groups. All users who are members of the authorized user group will have access to the documents.

To Give Access to Loan Estimate and Closing Disclosure Output Forms:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left pane, click **Company/User Setup**, and then click **User Groups**.

3 Select a user group on the Create a Group panel.

4 Click the **Resources** tab.

5 Click the **New** icon next to the Standard Print Forms category.

6 On the Standard Print Forms window, select forms from the All Standard Print Forms list, and then click the **right-arrow** button to move the forms to the Selected Forms list.

• The following 2015 RESPA-TILA output forms are available to select: *Loan Estimate*, *Loan Estimate (Alternate)*, *Closing Disclosure*, *Closing Disclosure (Alternate)*, *Closing Disclosure (Seller)*
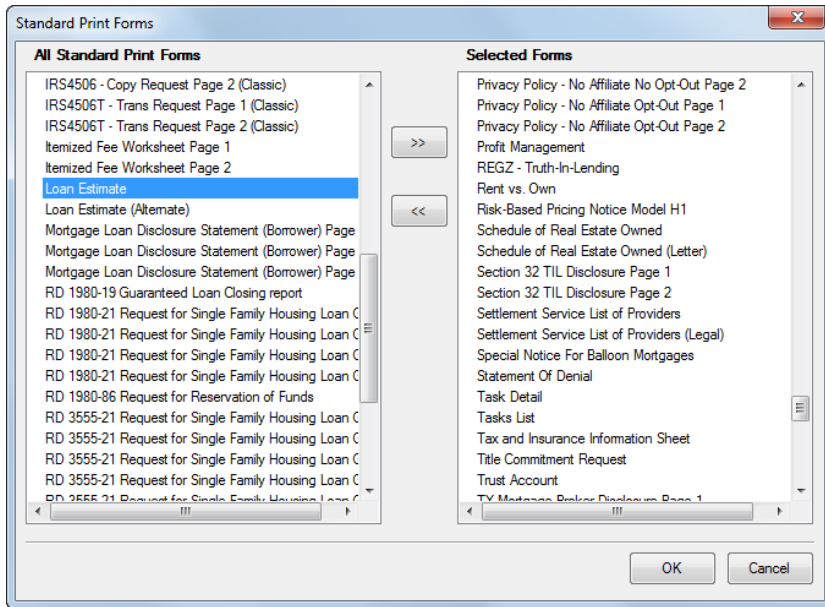
7 Click **OK** to add the selections to the user group.

8 When finished, click the **Save** icon on the User Groups screen.

Personas

Personas represent job functions in your company. Each persona defines access to functions, forms, and tools. One or more personas are assigned to each user. The following Persona settings are now available to determine user access to RESPA-TILA forms and features:

• **Change RESPA-TILA Form Version** - On the Loan tab, in the Other section, select this check box to grant the persona access to the RESPA-TILA Form Version option in the Forms file menu inside a loan file. If the check box is not selected, the RESPA-TILA Form Version option in the loan's Forms file menu is disabled so the persona will not have the ability to switch between the pre-2010 RESPA forms, 2010 RESPA forms and the 2015 RESPA-TILA forms, but the persona does have access to the input forms themselves.

> **NOTE:** *Administrators may also create a Persona Access to Fields business rule to control the RESPA-TILA Form Version [hidden] field (field ID 3969). When this field's access is set to **View Only / Disabled**, the RESPA-TILA Form Version option on the Forms file menu is disabled. The user will not have the*

ability to switch between the pre-2010 RESPA forms, 2010 RESPA forms, and the 2015 RESPA-TILA forms, but the user does have access to the input forms themselves.

• **Fee Variance Worksheet -** On the Forms/Tools tab, in the Tools section, select the **Fee Variance Worksheet** check box to grant the persona access to the Fee Variance Worksheet. Select the associated **Cure Variance** check box to provide access to all fields in the Cure Variance section of the Fee Variance Worksheet.

• **Disclosure Tracking -** On the Forms/Tools tab, in the Tools section, several check boxes are provided in order to provide persona access to the Disclosure Tracking tool, fields on the Disclosure Tracking tool, and to manually create disclosure entries. Select a check box to provide access to the associated field or feature.
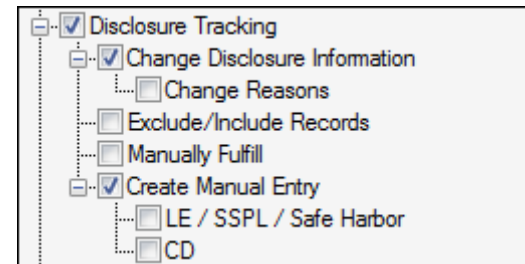
To Configure Personas:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Company/User Setup**, and then click **Personas**.

3 In the left panel, select a persona.

4 Select check boxes under each of the tabs to grant access to the functions and tools.

5 When finished, click the **Save** icon to save the persona.

Configure Disclosure Tracking Settings

Use the Disclosure Tracking Settings to define:

• The forms to track in the Disclosure Tracking tool.

• How disclosure history entries are added to the Disclosure Tracking tool.

• Whether or not to include the day when a disclosure is sent when calculating the Compliance Timeline.

• Whether the loans will use 2010 or 2015 disclosure forms.

To Configure Compliance Timeline Calculations:

1. On the menu bar, click **Encompass**, and then click **Settings**.

2. On the left panel, click **Loan Setup**, and then click **Disclosure Tracking Settings**.

3. Click the **New** icon.

4. On the Disclosure Tracking Forms window, select the forms to track as follows:

   - Click the **Form Groups** tab, and then select a Public or Personal forms group

   - Or, click the **Standard Forms** tab, and then select a category of forms (such as General Forms)

   - Or, click the **Custom Forms** tab and select the Public or Personal folder containing the custom forms.

5. Select forms from the left-hand list and click **Add** to move them to the Selected Forms list

6. On the Selected Forms list:

   - Select a form and click the **Up** or **Down** arrows to change the list order.

   - Select a form and click **Remove** to remove it from the list.

7. Click **OK** to close the window.

8. Select a form and click the **Delete** icon to delete it from the list.

   - The REGZ-Truth-In-Lending, 2010 GFE, Loan Estimate, Closing Disclosure, Anti-Steering Safe Harbor Disclosure, and 2015 Settlement Service Provider List forms are listed by default and cannot be deleted.

9. In the *Select the events that will trigger recording of disclosures* section, configure how disclosure history entries are added to the Disclosure Tracking tool. The settings applied here apply only to the forms listed in the upper section of the Disclosure Tracking Settings.

   - Select **Create a record when disclosures are printed** to automatically add a disclosure history entry every time a form is printed.

   - Select **Prompt users before a record is created** to trigger a Disclosure Tracking prompt every time a form is printed. Users will click Yes when prompted to add the disclosure history entry.

   - Select **Create a record when disclosures are previewed** to automatically add a disclosure history entry every time a form is previewed.

   - Select **Prompt users before a record is created** to trigger a Disclosure Tracking prompt every time a form is previewed. Users will click Yes when prompted to add the disclosure history entry.

   - Select **Create a record when disclosures are sent using the eFolder** to automatically add a disclosure history entry every time a form in the forms list is sent, printed, or previewed using the eFolder.

- Select **Users can manually create disclosure records** to enable users to manually add disclosure history entries on the Disclosure Tracking tool.

10. In the *Copy of disclosures* section, select a check box if you want Encompass to save a local copy of a disclosure document when it is printed or sent electronically from within the eFolder. If a copy has been saved, loan team members can click the **View Document** button on the Disclosure Tracking tool to view and print a copy of the document(s).

    - Select **Save copy of disclosures when disclosing from Print Menu** to save a local copy of disclosure documents that are printed.

    - Select **Save copy of disclosures when disclosing from eFolder** to save a local copy of disclosure documents that are sent electronically. (These are disclosures sent to borrowers for their information only, as part of an initial disclosure (i.e., eDisclosure) package, or in separate document requests).

    - If you do not select a check box, no copies are saved and the **View Document** button will be hidden, thus preventing the loan team member from viewing or printing the document(s).

11. In the *Compliance Timeline Calculation for RESPA-TILA* section:

    Compliance Timeline Calculation for RESPA-TILA

    Initial Disclosure Due Date — ☑ Include application date (field 3142) in the date calculation
    Redisclosure Due Date — ☑ Include changed circumstance dates (fields 3165 and CD1.X62) in the date calculation
    LE Expires in ⬚10 days (minimum 10 days are required by law)

    Closing Costs Expiration Time 5 : 00 PM ▾
    Closing Costs Expiration Time Zone (UTC –05:00) Eastern Time ▾

    - **Initial Disclosure Due Date:** Select the check box to include the Application Date (field ID 3142; the day when the 2010 GFE is received with all of the required fields populated or the day when the Loan Estimate is received with all of the required fields populated) when calculating the 2010 GFE's Initial Disclosure Due Date (field ID 3143) or the LE Due date (field ID 3143) on the Disclosure Tracking tool.

    - **Rediclosure Due Date:** Select the check box to include the Changes Received Date (field ID 3165 or CD1.X62; the day when the changed circumstance is indicated on the 2010 GFE (field ID 3168)) or the Closing Disclosure Page 1 (field ID CD1.X61) when calculating the Revised GFE Due Date (field ID 3167) or the Revised CD Due Date (field ID CD1.X63) (i.e., the Changes Received Date is considered Day 1)

    - Enter the number of days before the Loan Estimate expires. For example, if you enter *10*, the Loan Estimate will expire on the 10th day. A minimum of 10 days is required by law.

    - Enter the time of day when the closing costs disclosed on the Loan Estimate expire.

    - Select the time zone to use for the closing costs expiration time.

12 In the *Compliance Timeline Calculation for GFE/TIL* section:

Compliance Timeline Calculation for GFE/TIL

Earliest Closing Date	☐ Include Initial TIL Sent Date (field 3152) and Borrower Received Date for revised TIL (field 3155) in the date calculation
GFE Expiration Date	☐ Include Initial GFE Sent Date (field 3148) in the date calculation
	GFE Expires in [10] days (minimum 10 days are required by law)

- **Earliest Closing Date:** Select the check box to include the Initial TIL Sent Date (field ID 3152; the day the first version of the REGZ-TIL is sent to the borrower) or the Revised TIL Borrower Received Date (field ID 3155; the day the revised version of the REGZ-TIL is received by the borrower) when calculating the Earliest Closing Date (field ID 3147).

- **GFE Expiration Date:** Select the check box to include the Initial GFE Sent Date (field ID 3148; the day the first version of the GFE is sent to the borrower) when calculating the GFE Expiration Date (field ID 3140) on the 2010 GFE.

- Enter the number of business days for which the GFE will be effective after it is disclosed in the GFE Expires in text box.

  - This number is added to the GFE Date (field ID 3170) to determine Important Dates #2 (field ID NEWHUD.X2).

  - Once disclosed, Important Dates #2 (field ID NEWHUD.X2) will copy over to the GFE Expiration Date (field ID 3140).

  - A business day is any day the lender is open to conduct business according to the Reg-Z Business Day Calendar in the Compliance Calendar settings.

  *NOTE: As an example, in this scenario the **GFE Expiration Date** check box is not selected, **GFE Expires in** is set to 10 business days, and Saturday has been designated as a business day on the Our Company Calendar. If the GFE is sent on 4/01/2016, the GFE will not expire until the end of 4/12/2016. Since the GFE Expiration Date check date is not selected, the day when the initial GFE is sent is not included when calculating the GFE Expiration Date.*

13 In the Changed Circumstances section, select the **Require fee level Changed Circumstances prior to disclosure** check box to require fee level disclosures to indicate a changed circumstance reason for each revised fee prior to sending a revised disclosure. When this check box is selected, the new Fee Level Disclosures check box (field ID 4461 on the LE Page 1 and CD Page 1 input forms) will be selected and then cannot be changed by users.

- If this check box is not selected, authorized users will be permitted to select or clear the Fee Level Disclosures check box on the LE Page 1 and CD Page 1 as needed. (Once the loan's initial disclosure has been sent, users cannot change the Fee Level Disclosures check box. Once disclosed at a fee level, users must continue to redisclose at a fee level for the remainder of the loan's lifecycle (and vice versa if they initially disclosed at a disclosure level).

14 Click the **Save** icon.

Compliance Calendar

Use the Compliance Calendar to specify your company's business days. The setting includes three separate calendars, which can be accessed by selecting an option at the top of the setting. The business days specified on the calendar will be used to calculate the dates in the Compliance Timeline fields on the Disclosure Tracking tool.

Dates with a pink background are excluded from your company business calendar. All other dates are considered business days and included in the calendar.

- **Our Company Calendar** is used to calculate the dates in the Compliance Timeline fields on the Disclosure Tracking tool which helps ensure compliance with the 2010 and 2015 Real Estate Settlement Procedures Act (RESPA) regulations. Dates with a pink background are excluded from Our Company Calendar. All other dates are considered business days and included in the calendar.

- **U.S. Postal Calendar** is used when calculating the LE and CD Tracking dates on the Disclosure Tracking tool. Settings on this calendar cannot be changed.

- **Reg-Z Business Day Calendar** is used to calculate the Earliest Fee Collection Date for loans subject to 2015 RESPA regulations. Settings on this calendar cannot be changed.

*NOTE: The Compliance Calendar supports a specific range of years. Dates entered on the Disclosure Tracking tool must fall within this specified range. Use the **Back** or **Forward** arrows on the upper-right to view the calendars for each supported year.*

To Configure Your Company Calendar:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Loan Setup**, and then click **Compliance Calendar**.

3 At the top of the screen, select the **Our Company Calendar** option.

4 At the top-right of the screen, click the **Back** or **Forward** arrows to change the calendar year.

5 Click a date to exclude it from the calendar.

- A pink background is added to the date.

6 Click an excluded date to include it in the calendar.

- The pink background is removed from the date.

7 Select **Exclude Saturdays** to exclude all Saturdays from the calendar.

8 Select **Exclude Sundays** to exclude all Sundays from the calendar.

9 Click the **Save** icon to save your changes.

Compliance Alerts

The following RESPA-TILA alerts are available in Encompass. All alerts are enabled by default. Refer to Responding to Compliance Alerts on page 168 for detailed instructions about the RESPA-TILA violations that trigger alerts and how to respond to them and clear the alerts.

Redisclose REGZ-TIL (APR Change) (Mortgage Disclosure Improvement Act (MDIA))

In accordance with MDIA provisions, Redisclose REGZ-TIL alerts are generated when there is a difference between the value in the Disclosed APR (Field ID 3121 on the REGZ-TIL and Closing REGZ forms) and the Current APR field (Field ID 799 on the REGZ-TIL and Closing REGZ forms) greater than .125% (for conventional loans; for ARM loans this alert is generated when the difference between the two APR values is greater than .25%). The alert notifies loan team members that the new APR should be disclosed to the borrower. The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and both REGZ forms, as well as in a pop-up window when you save the loan.

- Your system administrator can set this alert to generate for ARM loans when the difference between the two APR values is greater than .125%.

Closing Date Violation (MDIA)

To comply with MDIA provisions, a Closing Date Violation alert is generated when the loan's Estimated Closing Date (Field ID 763 on the Borrower Summary) precedes the loan's Earliest Closing Date (Field ID 3147 on the Disclosure Tracking tool). The alert displays on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.

Send Initial Disclosures (Real Estate Settlement Procedures Act (2010 RESPA and 2015 RESPA-TILA)

- **2010 RESPA-TILA -** According to RESPA, the loan originator must provide the initial GFE and REGZ-TIL to the borrower within three days of receiving the loan application. The Send Initial Disclosure alerts are generated when all of the alert's trigger fields have been populated. By default, these fields include Borrower First Name (Field ID 4000), Subject Property Address (Field ID 11), Loan Amount (Field ID 1109), and other fields used to complete the loan application. View the Send Initial Disclosures alert in the Alerts settings tool for a full list of Field Triggers. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Initial disclosures must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar settings.)

- **2015 RESPA-TILA -** This alert operates with the Loan Estimate (LE) the same way in which the alert operates with the 2010 GFE form. According to RESPA-TILA, the loan originator must provide the initial LE to the borrower within three days of receiving the loan application. The Send Initial Disclosures alerts are generated when all of the alert's trigger fields have been populated. By default, these fields are: Borrower First Name (field ID 4000), Borrower Last Name (field ID 4002), Borrower SSN (field ID 65), Total Monthly Income (field ID 736), Subject Property Address (field IDs 11, 12, 14, 15), Subject Property Estimated Value (field ID 1821), and Loan Amount (field ID 1109). These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Initial disclosures must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar settings.) To clear this alert, the LE Sent Date (field ID 3152) must be populated. This field is populated automatically when the LE is initially disclosed.

- **Send Initial Disclosures Alert for Settlement Service Providers List -** In addition to the triggers for the 2015 RESPA-TILA alert discussed above, the Send Initial Disclosures Alert may be triggered if the Loan Estimate and the Settlement Services Provider List (SSPL) are required to be disclosed. The alert is cleared when the SSPL Sent Date (field ID 4014) is populated. This field is automatically populated when the SSPL is disclosed and a tracking entry is included in the Disclosure Tracking tool's Disclosure History table.

eSign Consent Not Yet Received (2015 RESPA-TILA)

This alert is intended to notify you when you have not yet received consent to receive electronic disclosures from all applicable parties. This helps ensure you receive eSigning consent before sending the disclosures electronically. View the eSign consent status by clicking the **Lookup** icon (magnifying glass) for the eSign Consent field on the Disclosure Tracking Tool.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. If the eSign Consent Status for any borrower / co-borrower on the loan is not indicated as *Accepted* this alert is triggered. This alert is triggered at the same time as the Send Initial Disclosures alert. To clear the alert, the eSign Consent Status must be set to *Accepted* for all borrowers and co-borrowers on the loan.

GFE Expires (2010 RESPA)

RESPA states that if a borrower does not express intent to continue with an application within 10 days of receiving the GFE, the loan originator is no longer bound by the GFE. The GFE Expires alert notifies you that the GFE Expiration Date (Field ID 3140 on the 2010 GFE) is near and the loan's rate has not been locked. The days before the expiration date value set up in the Alert Settings determines exactly when the alert displays. The GFE Expiration Date must be a minimum of 10 days from the Initial GFE Sent Date (Field ID 3148 on the Disclosure Tracking tool. (Days are determined by the Our Company Calendar settings.) The alert displays in the Pipeline, the Alerts & Messages tab in the Log, and the 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan.

Loan Estimate Expires (2015 RESPA-TILA)

The Loan Estimate Expires alert notifies you that the Closing Cost Estimate Expiration Date (field ID LE1.X28 on the LE Page 1) is near and the Intent to Proceed check box (field ID 3164) has not been selected on the Loan Estimate Page 1. The d**ays before the expiration date value** set up in the Alerts settings determines exactly when the alert displays. The LE's expiration date must be a minimum of 10 days from the LE Sent Date (Field ID 3152 on the Disclosure Tracking tool). When the alert is generated, the Encompass user receives an alert with the following message:

The Loan Estimate has expired because the Intent to Proceed was not received within 10 business days from the LE Issued Date.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Clear the alert by selecting the Intent to Proceed check box on the Loan Estimate Page 1.

Redisclose GFE (Rate Lock) (2010 RESPA)

Under RESPA regulations, if a rate lock changes after the initial GFE is provided, a revised GFE must be sent to the borrower within three days of the changes. These Redisclose GFE alerts are generated when the Rate Locked Date (Field ID 761) is later than the Last Sent Date (Field ID 3137) on the 2010 GFE. In other words, the rate was locked after the 2010 GFE was initially disclosed. The alert displays on the Pipeline, Log, and 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan. (Days are determined by the U.S. Postal Calendar settings.)

Redisclose GFE (Changed Circumstances) (2010 RESPA)

Under RESPA regulations, if circumstances have changed since the initial GFE was provided, a revised GFE must be sent to the borrower within three days of the changes. These Redisclose GFE alerts are generated when the Changed Circumstance check box (Field ID 3168) is selected on the 2010 GFE. The Changes Received Date field (Field ID 3165 on the 2010 GFE) is populated with the current date. The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and 2010 GFE (the top of the page displays in red), as well as in a pop-up window when you save the loan. (Days are determined by the U.S. Postal Calendar settings.)

Redisclose Loan Estimate (Changed Circumstance) (2015 RESPA-TILA)

Under RESPA-TILA regulations, if circumstances have changed since the initial Loan Estimate was provided, a revised Loan Estimate must be sent to the borrower no more than three business days after the changed circumstance is received. The alert is triggered when the Changed Circumstance check box (field ID 3168) on the Loan Estimate Page 1 is selected and the current date is populated to the Changes Received Date (field ID 3165) on the Loan Estimate Page 1. By default, the alert is triggered three days before the Redisclose Due Date (field ID 3167).The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and in a pop-up window when you save the loan. (Business days are determined the Our Company Calendar settings.)

HUD-1 Tolerance Violated (2010 RESPA)

To comply with RESPA tolerance regulations, these alerts are generated when there is a discrepancy between any of the GFE and HUD-1 values in the Charges that Cannot Increase section of the 2010 HUD-1 Page 3 form OR when the total of the Increase between GFE and HUD-1 Charges (Field ID NEWHUD.X315) on the 2010 HUD-1 Page 3 form is more than 10%. The alerts display on the Pipeline, the Alerts & Messages tab in the Log, and at the top of the 2010 HUD-1 Page 3 page (the top of the page displays in red).

Ability-to-Repay Loan Type Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Ability-to-Repay Loan Type (field ID QM.X23) has not been indicated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Qualified Mortgage Type Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB taking effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes

certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Qualified Mortgage Loan Type (field ID QM.X24) has not been indicated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

QM Safe Harbor Eligibility Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the *Is Loan Eligible for Safe Harbor?* field (field ID QM.X25) has not been populated on the ATR/QM Management form. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Residual Income Assessment Recommended (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the Ability-to-Repay Loan Type (field ID QM.X23) is *Qualified Mortgage*, but it is not eligible for Safe Harbor (field ID QM.X23) OR the Ability-to-Repay Loan Type is *General ATR*. This alert recommends a residual income assessment. As the CFPB has not issued official guidelines or requirements for residual income, this alert is a recommendation only and does need to be addressed or cleared in order for the loan to qualify as a qualified mortgage. (By default, this alert is triggered at the completion of the Approved milestone.) The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

General QM DTI Exceeded (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when the loan's Debt-to-Income (DTI) ratio (field ID QM.X119) exceeds the limit for a General Qualified Mortgage. CFPB states DTI must be less than or equal to 43% to meet General QM standard. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

General QM Loan Feature Violation (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when loan repayment data does not meet the standards for a General Qualified Mortgage. The data entered in the *Interest Only* (field ID 2982),

Prepayment Penalty Period (field ID RE88395.X316), *Prepayment Penalty* (field ID QM.X112), and *The result of Points & Fees Test does not exceed the threshold for Qualified Mortgages* (field ID (QM.X124) fields on the ATR/QM Management form's Qualification tab and the *Even if you make pmts on time, can your loan balance rise* (field ID NEWHUD.X6) and *Does your loan have a balloon payment* (field ID 1659) fields on the Loan Estimate Page 1 can trigger this alert. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Ability-to-Repay Exemption Reason Not Determined (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", this alert is triggered when an ATR/QM Exemption Eligibility option has not been indicated at the bottom of the ATR/QM Management form's ATR/QM Eligibility tab. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

AUS Data Discrepancy (ATR/QM)

In accordance with the rule issued by the CFPB effective for applications on or after January 10, 2014 that prohibits lenders from making a loan without first considering and verifying a consumer's ability to repay the loan and establishes certain protections for creditors who make a "qualified mortgage", these alerts are generated when the information in the loan file does not match the last set of values used by an Automated Underwriting System (AUS) to make an underwriting decision. The alerts display on the Pipeline and on the Alerts & Messages tab in the Log.

Redisclose Closing Disclosure (Changed Circumstance) (2015 RESPA-TILA)

Under RESPA-TILA regulations, if circumstances have changed since the initial Closing Disclosure was provided, a revised Closing Disclosure must be sent to the borrower. The revised Closing Disclosure must be sent within three days of the changes. These Redisclose Closing Disclosure alerts are generated under the following conditions: when the CD Changed Circumstance check box (field ID CD1.X61) is selected, the Changes Received Date field (field ID CD1.X62) is populated (which occurs automatically when the Changed Circumstance check box is selected), and Change in Settlement Charges (field ID CD1.X55), Changed Circumstance - Eligibility (field ID CD1.X68), Revisions requested by the Consumer (field ID CD1.X66), Interest Rate dependent charges (Rate Lock) (field ID CD1.X67), Tolerance Cure (field ID CD1.X57), Clerical Error Correction (field ID CD1.X58), or Other (field ID CD1.X59) is then selected as the reason for the changed circumstance. The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and in a pop-up window when you save the loan. (Business days are determined by the Our Company Calendar settings.)

Redisclose Closing Disclosure (APR, Product, Prepay) (2015 RESPA-TILA)

This alert will be generated when a prepayment penalty is added, the loan product is changed, or the current APR differs from the Disclosed APR by more than 0.125% (0.25% for irregular loans) and the Closing Disclosure (CD) may need to be redisclosed as a result. The trigger fields are:

- Trans Details Disclosed APR (field ID 3121) - Alert is triggered when the Current APR (field ID 799) differs from the Disclosed APR (field ID 3121) by more than 0.125% (0.25% for irregular loans) or custom percentage

- Product Description (LE1.X5) - Alert is triggered when the current Loan Product (LE1.X5) on the CD Page 1 is different than the Loan Product indicated on the last disclosure

- Prepayment Penalty (675) - Alert is triggered if Yes is currently indicated for this field on the CD Page 1 and No was indicated in the last disclosure

- Last CD Sent Date (CD1.X47) - The date the CD was last disclosed.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. To clear this alert, redisclose the CD or resolve the data in the trigger fields.

- **Good Faith Fee Variance Violated-** This alert is generated when there is a variance between the LE and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X345) of the Fee Variance Worksheet or when there is a variance between the CD and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X347) on the worksheet. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.

  - Click the alert icon or indicator to view the alert details, including each applicable fee that was changed, and clear the alert. When viewing the alert details, the following fee details are displayed (below the Trigger Fields section) that provide the following information. Here you can enter fee change details about each fee at a granular level:

    - **Applies To -** At the top of this section, select LE or CD from the Applies To drop-down list to indicate the form (LE or CD) where these fee change details will be applied.

    - **Changes Received Date -** Will auto-populate with today's date and reflects the same date used for this field on the LE Page 1 and CD Page 1

    - **Revised LE Due Date or Revised CD Due Date –** In the Fee Details section, you can indicate if the fee change was made on the LE Page 1 or CD Page 1. Depending on the disclosure (as indicated by the selection in the Applies To field), this field will refer to the LE due date or CD due date accordingly. This is read-only field, calculated by the Encompass system.

    - **Description -** Description of the Changed Circumstance (click the **Lookup** icon (magnifying glass) to select the changed circumstance from the list).

    - **Comments -** Comments related to the Changed Circumstance

    - **Reason –** Select the reason for the change from the drop-down list. There can only be one reason for each fee. This drop-down list provides the same list of reasons that is provided on the LE Page 1 and CD Page 1. Some reasons apply only to the LE, some apply only to the CD, and some apply to both. If LE is selected for the Applies To field, only reasons that apply only to the LE or LE and CD will be displayed in the list. If CD is selected for the Applies To field, only reasons that apply only to the CD or the LE and CD will be displayed in the list.

  - These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. To clear this alert, the amounts in the **Variance between...** fields (field ID FV.X345 and FV.X347) can be updated to remove the variance amount from the Fee Variance Worksheet or you can redisclose the LE or CD with a Change of Circumstance selected that causes the Variance Worksheet LE or CD Baseline to be updated, thereby removing the variance amount.

To Configure an Alert:

Configure the alert settings to determine the following:

  - The message that displays when a Compliance alert is triggered.
  - Which fields will trigger the Send Initial Disclosures alert.
  - When to show each alert.
  - When to show the Redisclose Closing Disclosure (APR, Product, Prepay) alert for regular and irregular loans.
  - Whether or not an alert will trigger an additional notification, if applicable.

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Loan Setup**, and then click **Alerts**.

3 On the Alerts tool, double-click the alert you want to configure.

4 To change a compliance alert message, click in the Message section and enter the message that will display when the alert is triggered.

5 To enable an alert, select **Yes**, and then click **Select Milestones** to select the milestones at which to enable the alert, and then click **OK**.

6 Enter the number of days before the trigger event occurs that you want to trigger the alert, if applicable.

7 Select **Yes** to trigger a pop-up notification when the alert is activated, if applicable.

8 When finished, click **Save**.

Additional Compliance Alert Settings

Two of the Compliance alerts have additional settings that you can use to determine when the alerts are triggered.

To Add or Remove Field Triggers for the Send Initial Disclosures Alert:

1 On the Alerts tool, double-click the **Send Initial Disclosures** alert.

2 In the Field Triggers section, click the **New** icon.

3 Enter the Field ID of the field you want to add.

4 Click **Add**.

  - If you enter 10 field IDs but want to add more, click **Add More** to add those fields to the Field Triggers list, and then enter additional field IDs as needed.

  NOTE: The alert is triggered only when all of the trigger fields are populated.

5 To delete a field, select it from the Field Triggers list and click the **Delete** icon.

  NOTE: You cannot delete any of the 10 default trigger fields.

To Set Additional Options for the Redisclose Closing Disclosure (APR, Product, Prepay) Alert:

1 Select an APR Tolerance setting:

- Select **0.125% for all loans** to trigger the alert when the Current APR differs from the Disclosed APR by more than 0.125% in both regular and irregular loans.

- Select the second option to trigger the alert when the APR amounts differ by more than 0.125% for regular loans and 0.25% for irregular loans.

2 Select an Alert Option setting:

- Select **Alert when APR increases or decreases by more than the APR tolerance** to always trigger the alert when the APR increases or decreases by more than 0.125% (0.25% for irregular loans).

- Select **Alert only when APR increases by more than the APR tolerance** to only trigger the alert when the APR increases by more than 0.125% (0.25% for irregular loans).

Overview of 2015 RESPA-TILA Forms

The goal of the new forms is to use clear language and design to make it easier for consumers to locate key information, such as interest rate, monthly payments, and costs to close the loan. The forms are also intended to provide more information to help consumers decide whether they can afford the loan and to compare the cost of different loan offers, including the cost of the loans over time. The final rule applies to most closed-end consumer mortgages with applications received by creditors on or after October 3, 2015.

In accordance with the final rule, the following new forms and tools are now available in Encompass:

- **2015 Itemization -** replaces the 2010 Itemization form and utilizes new Fee Details pop-up windows that enable the entry of detailed fee information

- **Loan Estimate (LE)** input and output forms - replace the Good Faith Estimate (GFE) and REGZ-TIL (Truth in Lending) forms

- **Closing Disclosure (CD)** input and output forms - replaces the Closing RegZ (Truth in Lending) and HUD-1 (HUD-1 Settlement Statement) forms

- **RegZ-LE** input form - provides an over view of terms of the loan and enables users to enter or edit information about specific types of loans (for example, ARM mortgages)

- **RegZ-CD** input form - provides an over view of terms of the loan, enables users to edit information about specific types of loans (for example, ARM mortgages), and enables users to order closing documents

- **Disclosure Tracking Tool -** replaces the Disclosure Tracking tool for 2010 and enables tracking of 2015 RESPA-TILA forms and the calculation of disclosure-related dates for the new forms

- **Fee Variance Worksheet** - view the differences between fees currently populated on the 2015 Itemization and the fees disclosed to the borrower on the Loan Estimate and the Closing Disclosure, and enter information about a tolerance violation cure if needed..
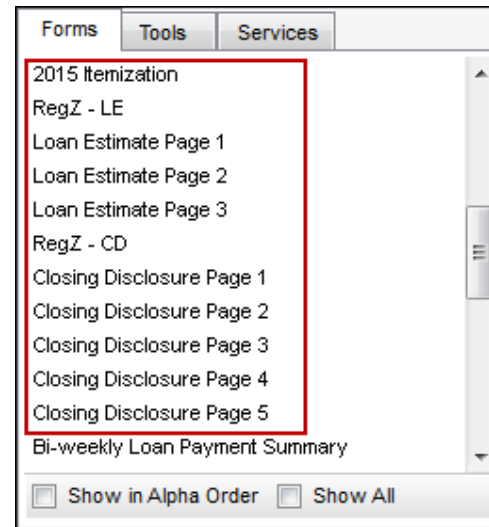
To Use the 2015 RESPA-TILA Forms:

1 Open a loan file.
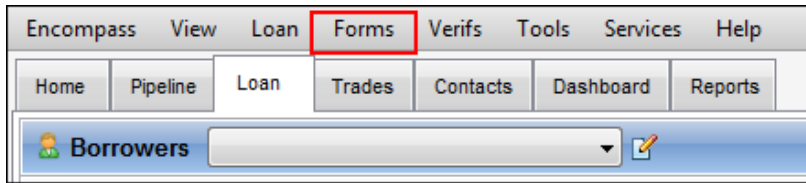
2 On the menu bar, click **Forms**.

3 At the top of the menu list, point to **RESPA-TILA Form Version**, and then click **RESPA-TILA 2015 LE and CD**.
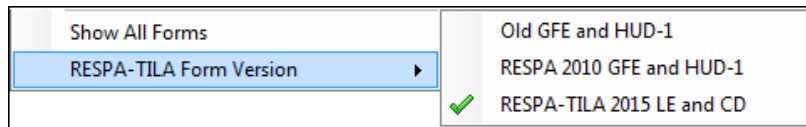
• To switch to the 2010 versions of the forms, click **RESPA 2010 GFE and HUD-1**.

2015 Itemization Form

The 2015 Itemization replaces the 2010 Itemization form and utilizes new Fee Details pop-up windows that enable the entry of detailed fee information.

Information from the 2015 Itemization is used to populate the Loan Estimate and Closing Disclosure input forms. The 2015 Itemization form contains much of the same information that was included on the 2010 Itemization form, but the form has been redesigned for ease of navigation. The following sections have been added to the bottom of the form to provide access to additional information: Closing Costs Summary, Total Estimated Monthly Payments, and Total Estimated Funds

Needed to Close (Details of Transaction). A series of Fee Details pop-up windows can be accessed from the 2015 Itemization, enabling users to edit detailed information about each fee.
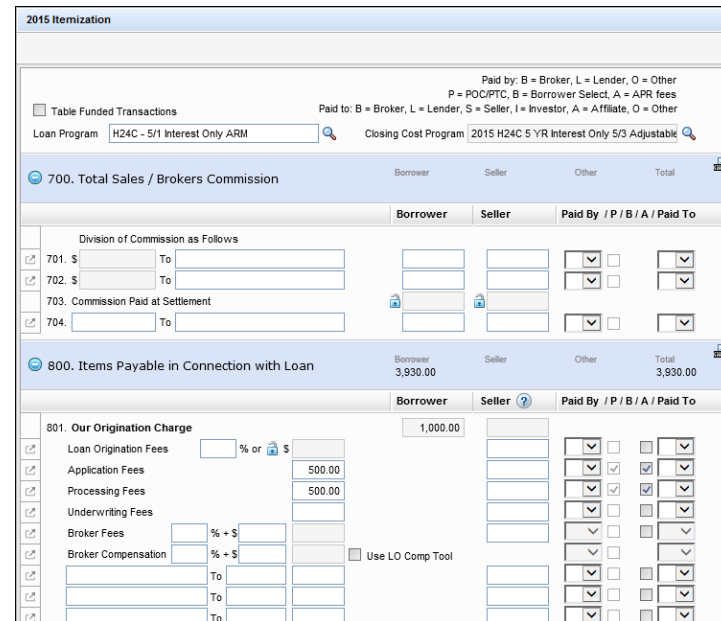
Fee Details Window

Fee Details pop-up windows are now accessible from the 2015 Itemization form by clicking the icon to the left of each fee entry. The Fee Details window is populated with fee data entered on the 2015 Itemization. Users can also view and edit fee details, including the entities who are paying the fee in part or in whole

(Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and the portion of the payment that falls into different payment categories (Financed, PTC, PAC, and POC).

Loan Estimate (LE)
The Loan Estimate (LE) replaces the Good Faith Estimate (GFE) and REGZ-TIL (Truth in Lending) forms for new loans starting on or after October 3, 2015. The Loan Estimate (LE) input forms (pages 1-3) enable users to review, edit, or enter information that is populated to the Loan Estimate output form that must be provided to the borrower no later than the third business day after the loan application is received. Each of the three Loan Estimate input forms corresponds to one of the three pages in the new Loan Estimate output form.

Closing Disclosure (CD)
The Closing Disclosure (CD) replaces the Closing RegZ (Truth in Lending) and HUD-1 (HUD-1 Settlement Statement) forms for new loans starting on or after October 3, 2015. The Closing Disclosure (CD) input forms (pages 1-5) enable users to review, edit, or enter information that is populated to the Closing Disclosure output form that must be provided to the borrower at least three business days prior to consummation. Each of the five Closing Disclosure input forms corresponds to one of the five pages in the new Closing Disclosure output form.

Recommended 2015 RESPA-TILA Workflow

Use the workflows described in "Sample 2015 RESPA-TILA Workflows" on page 146, to gain an understanding of how data is entered on the 2015 Itemization, the LE, and the CD forms and how data flows between these forms. These forms are designed to work with guidelines set forth in the RESPA-TILA regulations effective October 3, 2015.

Encompass Field List

The *Encompass Field List* provides a list of the fields provided on the input forms and tools in Encompass, sorted by the fields' field ID. This list also provides a field description, the field type, and the forms on which the field is provided. An additional *RESPA-TILA* section that lists only the fields (both new and re-used) provided on the 2015 Itemization, Fee Details windows, LE, CD, RegZ-LE, RegZ-CD, Disclosure Tracking tool, and the Fee Variance Worksheet is also provided with the Encompass Field List.

Disclosure Tracking Tool

The Disclosure Tracking tool provides disclosure timelines and tracking dates, the disclosure history, and the latest disclosure details. Use this tool to log tracking entries for the Loan Estimate, Closing Disclosure, Settlement Service Provider,

and Safe Harbor disclosures. Follow the timelines and tracking dates to stay compliant with RESPA-TILA regulations for loans originated on or after October 3, 2015.

NOTE: Prior to using the Disclosure Tracking tool, configure the Disclosure Tracking Settings as described in the Configure Disclosure Tracking Settings section on page 68.

The following sections describe each component of the tracking tool and how it is used to track and manage key disclosure information for a loan. Note that this version of the Disclosure Tracking tool displays only when a loan file is using the 2015 RESPA-TILA forms. A different version of the tool displays when using 2010 forms.

To Open the Disclosure Tracking Tool:

1 Open a loan and then click the **Tools** tab.

2 Click **Disclosure Tracking**.

Compliance Timeline

The Compliance Timeline calculates important time periods and dates according to RESPA regulations. All fields, with the exception of the Estimated Closing Date, are read-only and calculated automatically. For details about how each field is calculated, refer to "Disclosure Tracking Tool Field Calculations" on page 175.

- **Application** Date - The date the loan application is received by the loan originator. The Send Initial Disclosure alert is generated on this date based on the completion of required fields on the loan file.

  - Click the blue **Lock** icon to manually enter a date.

- **LE Due** - The date the Loan Estimate must be disclosed to the borrower. Disclosure must take place within three business days (according to the Our Company Calendar setting) of the Application Date (field ID 3142; the day when the fields that trigger the Send Initial Disclosure alert are populated). The next business day after the Application Date is considered day one. Disclosure is required by the end of day three.

  NOTE: According to 2015 RESPA-TILA regulations, the next business day after the Application Date (field ID 3142) is considered day one when calculating the LE Due date. However, Encompass administrators may use the Disclosure Tracking Settings tool to include the Application Date in the LE Due calculation (i.e., the Application Date is considered day one). Consult with your Encompass administrator to confirm if the Application Date is included in the LE Due calculation or not.

- **eConsent** - The date when the borrower or borrowers consent to receive loan documents electronically. If there are multiple borrowers, the date when the last borrower provides consent.

  - To view the eConsent details, click the **Lookup** icon (magnifying glass) next to the eConsent field. The eConsent Status window displays the consent data for the borrower and co-borrower as applicable. The eConsent Status field indicates if the borrower has accepted or rejected the terms of the eDisclosure Agreement or if their decision is still pending.

  - Click the **View Form** link to view the eDisclosure Agreement sent to the borrower.

  *NOTE: Encompass currently does not support sending additional eConsent requests when the current status is **Accepted**, and does not support manually changing the eConsent status when a borrower initially accepts eConsent and then declines verbally.*

- **Intent to Proceed** - The date when you determine that the borrower intends to proceed with the loan application. This field is populated from the Received Date (field 3197) in the Intent to Proceed section on the Loan Estimate Page 1.

- **Earliest Fee Collection** - Under RESPA regulations, lenders and mortgage brokers cannot collect any fees for services (with the exception of a credit report fee) until the Loan Estimate has been received by the borrower and the borrower has indicated an intent to proceed with the loan. The Earliest Fee Collection date is the later of the following two dates: the date you determine that the borrower intends to proceed (field ID 3197) or the LE Received date described in the LE Tracking section below.

- **Earliest Closing** - The earliest the loan can be closed.

- **Estimated Closing** - This date is populated from the Estimated Closing Date in the loan file (field ID 763), but the date can be edited.

LE Tracking

Use this section to track when the initial and revised Loan Estimate is sent and received by the borrower. All fields are read-only.

- **LE Sent** - The date the first version of the Loan Estimate is sent to the borrower.

- **LE Received** - The date the first version of the Loan Estimate is received by the borrower.

  NOTE: This date varies based on the delivery method. For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates *white paper.*

- **Revised LE Sent** - The date the revised Loan Estimate is sent to the borrower.

- **Revised LE Received** - The date the revised Loan Estimate is received by the borrower.

  NOTE: This date varies based on the delivery method. For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates *white paper.*

- **SSPL Sent -** Sent date of the earliest Settlement Service Providers List associated with a tracking record not excluded from the timeline. If the Settlement Service Providers List and Loan Estimate are disclosed together, the date is the Sent Date of the earliest Loan Estimate not excluded from timeline. If the Settlement Service Providers List and the Closing Disclosure are disclosed together, the date is the Sent Date of the earliest Closing Disclosure not excluded from timeline.)

- **Safe Harbor Sent -** Sent date of the earliest Safe Harbor disclosure associated with a tracking record not excluded from the timeline. If the Safe Harbor and Loan Estimate are disclosed together, the date is the Sent Date of the earliest Loan Estimate not excluded from timeline. If the Safe Harbor   and the Closing Disclosure are disclosed together, the date is the Sent Date of the earliest Closing Disclosure not excluded from timeline.

CD Tracking

Use this section to track when the initial and revised Closing Disclosure is sent and received by the borrower. All fields are read-only.

- **CD Sent** - The date the first version of the Closing Disclosure is sent to the borrower.
- **CD Received** - The date the first version of the Closing Disclosure is received by the borrower. For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.

   NOTE: When the Loan Estimate and Closing Disclosure are printed together, a pop-up message mentions that a Disclosure Tracking entry must be created if these disclosures are going to the borrower, and then asks whether you want to create a Disclosure Tracking entry. If you click **Yes***, only a Closing Disclosure tracking entry is created because a Loan Estimate cannot be disclosed after a Closing Disclosure has been disclosed.*

- **Revised CD Sent** - The date the revised Closing Disclosure is sent to the borrower.

- **Revised CD Received** - The date the revised Closing Disclosure is received by the borrower.

   NOTE: This date varies based on the delivery method. For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates *white paper.*

- **Post Consummation Disclosure Sent** - The date the post-consummation Closing Disclosure is sent to the borrower. This is the most recent Closing Disclosure sent after the Disbursement Date (field ID 2553).

- **Post Consummation Disclosure Received** - The date the post-consummation Closing Disclosure is received by the borrower.

Other Tracking

Use this section to type or select the date on which the Affiliated Business Disclosure, CHARM Booklet, HUD Special Booklet, HELOC Brochure, and other disclosures are sent to the borrower.

- **Affiliated Business Disclosure Provided** - The date an Affiliated Business Arrangement Disclosure is provided to the borrower.

- **CHARM Booklet Provided** - The date the licensee provided the Consumer Handbook on Adjustable Rate Mortgages (CHARM) or a suitable substitute at the time of application.

- **Special Info Booklet Provided** - The date that HUD's Special Information Booklet is sent to the borrower.

- **HELOC Brochure Provided** - The date the Special Brochure for Open-Ended Credit Plans is sent to the borrower.

- **1st Appraisal Provided** - The date the appraisal is sent to the borrower.
- **Subsequent Appraisal Provided** - The date the second appraisal is sent to the borrower.
- **AVM Provided** - The date the automated valuation model (AVM) report is provided to the borrower. AVMs usually include the tax assessor's value and all pertinent information on the property in question, such as its sales history, and an analysis of the sales of like-kind properties.
- **Home Counseling Disclosure Provided** - The date home ownership counseling information is provided to the borrower.
- **High Cost Disclosure -** The date the High Cost disclosure is signed. Under Reg Z, a creditor must furnish the Federal High Cost Section 32 disclosures at least three business days before consummation. Section 32 Disclosures are considered furnished when received by the consumer, which would be documented by the consumer's signature.

Disclosure History

The Disclosure History section contains a tracking entry for each disclosure that is sent to a borrower.

Disclosure History (6)							Exclude from Timeline
Sent Date	Method ▲	By	# of Disclos	LE Sent	CD Sent?	Safe Harbor Sent?	Provider List Sent?
12/19/2014	U.S. Mail	Admin User(admin)	3	No	Yes	No	No
12/12/2014	U.S. Mail	Admin User(admin)	3	Yes	No	No	No
12/09/2014	U.S. Mail	Admin User(admin)	3	Yes	No	Yes	Yes

Each entry displays in a separate row with columns for the following information:
- Sent Date
- Method used to send the disclosure
- User who sent the disclosure
- Number of printed forms in the disclosure package
- Individual columns indicating whether the LE, CD, Safe Harbor, and Provider List were included in the package
- Borrower Pair the package was sent to
- Whether the disclosure included in the timeline
- Disclosure Type (initial or revised)

An entry can be added to the Disclosure History using three different methods. Entries can be added automatically, manually, or by clicking **Yes** when a Disclosure Tracking prompt displays, asking if you want to create a Disclosure History entry.

Automatic Disclosure History Entry

A Disclosure History entry is automatically added when:

- A document that is included in the Disclosure Tracking settings is requested from the borrower using the eFolder.
- A document that is included in the Disclosure Tracking settings is sent to the borrower as part of an initial disclosure (i.e., eDisclosure) package using the eFolder.
- A document that is included in the Disclosure Tracking settings is printed using the eFolder.

To Manually Add a Disclosure History Entry

1   Click the **New** icon.

2   When prompted, select one or more disclosure types: Disclosure, Settlement Service Provider List, or Safe Harbor.

- When **Disclosure** is selected, select **LE** or **CD** to indicate whether the Loan Estimate or Closing Disclosure is being disclosed.

3   Click **OK**.

Add a Disclosure History Entry Using a Disclosure Tracking Prompt

When you preview or print a document that is included in the Disclosure Tracking settings, a Disclosure Tracking prompt displays asking if you want to record a disclosure history record in the Disclosure Tracking tool. Click **Yes** to add the entry.
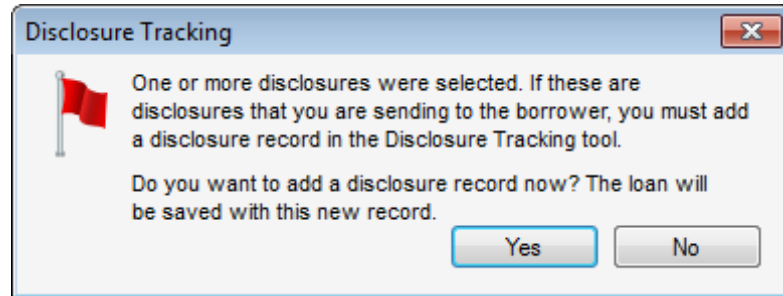
NOTE: Whether or not the Disclosure Tracking prompt displays when you print or preview a form is defined by your system administrator on the Disclosure Tracking Settings tool.

To Add an Entry Using the Prompt:

1 Open a loan, and then click the **Forms** tab.

2 Click the form in the list.

3 Click the **Print** icon.
  • Click **Preview** to preview the document.
  • Click **Print**, select your printing options on the Print window, and then click **OK** to print the document.

4 When the Disclosure Tracking prompt displays, click **Yes**.

TIP: Remember, the document must be included in the Document Tracking settings list or you will not be prompted to create a history entry when previewing or printing the document.

Exclude a Disclosure History Entry

After an entry is added to the Disclosure History, it cannot be deleted. However, you can exclude an old or invalid entry so it is not included in the Compliance Timeline, LE Tracking, or CD Tracking sections.

When a Loan Estimate or Closing Disclosure is excluded, the Disclosure Tracking summary dates are re-calculated. If the Loan Estimate or Closing Disclosure is the most recently disclosed version, the Last Disclosed fee in the Fee Details window on the 2015 Itemization and the disclosure date fields on the Loan Estimate or Closing Disclosure input form are updated to reflect the removal of the disclosure.

NOTE: A Loan Estimate cannot be excluded from the timeline when the Intent to Proceed check box is selected on the Disclosure Details pop-up window. The Intent to Proceed check box must be cleared before the first Loan Estimate can be excluded from the timeline. A Loan Estimate tracking entry that is excluded from the timeline can be modified, but the Intent to Proceed check box cannot be selected.

To Exclude an Entry:

1 Select the entry from the Disclosure History list.
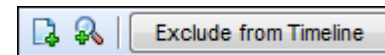
2 Click **Exclude from Timeline**.

  • The entry is still visible in the Disclosure History, but it is no longer included in the Compliance Timeline, LE Tracking, or CD Tracking sections.
  • To add an excluded entry back to the timeline, select the entry and click **Include in Timeline**.

NOTE: When an excluded entry is included again, it retains the same values it had before being excluded. The disclosures are re-evaluated to determine the Disclosure Tracking dates. If a Loan Estimate or Closing Disclosure is included, and it is the most recently disclosed version of the Loan Estimate or Closing Disclosure, the Last Disclosed fee in the Fee Details window on the 2015 Itemization and the disclosure date fields on the Loan Estimate or Closing Disclosure input form are updated to reflect the removal of the disclosure.

Disclosure Details

To view the details for a specific disclosure, double-click to open the associated Disclosure History entry.

Details Tab

The Details tab provides key information about the disclosure or disclosure package currently selected in the Disclosure History list.

Disclosure Information

This section included information related to the disclosure being sent and received.

- For a Loan Estimate entry, click the check box at the top of this section to indicate that the Loan Estimate was disclosed by the broker.

- The left panel displays a **Disclosure Type** drop-down field if the disclosure includes a Loan Estimate or Closing Disclosure. You can change the default selection if needed, but changing the default is recommended only for a final Closing Disclosure.

- The left panel provides the disclosure or disclosure package Sent Date, by whom it was sent, and the method by which it was sent.

  - Click the blue **Lock** icons to manually enter a Sent Date date or to change the name of the individual who sent the disclosure.

  - To change the Sent Method for the disclosure or disclosure package, select an option from the drop-down list. If the **Other** option is selected, enter a description in the text field.

- The left panel also displays an **Intent to Proceed** check box if the disclosure includes a Loan Estimate. The check box is selected by default if the borrower has received the Loan Estimate. If the check box is selected, it must be cleared before it can be selected for another Loan Estimate disclosure entry.

  - If the **Intent to Proceed** check box is selected, you can edit additional fields associate with the check box, including:

    - Type or select a new Intent to Proceed date as needed.

    - Click the **Lock** icon to edit the name of the Encompass user who selected the **Intent to Proceed** check box.

- Select the method by which you received the intent to proceed. If you select **Other**, type a description in the text field.

- Additional comments can be entered manually in the Comments field.

*NOTE: If the **Intent to Proceed** check box is selected, the Intent to Proceed information on the Details tab is the same as the Intent to Proceed information on the Loan Estimate Page 1. Changes made to the information in either the form or the tool are populated to both locations.*

- The right panel displays information related to how and when the borrower and co-borrower received the disclosure or disclosure package.

  - Use the drop-down menu to change the borrower or co-borrower Received Method or Actual Received Date.

  - Click the **Lock** icons to change the borrower or co-borrower Presumed Received Date fields.

NOTE: The earliest of the borrower presumed receipt or actual receipt is reflected as the received date in the LE Tracking section. The latest of both the borrower and co-borrower presumed and actual receipt dates is reflected in the CD Tracking section.

Loan Snapshot

This section provides the key loan fields that were disclosed to the borrower. A snapshot button displays for each of the following forms that were sent. Click a snapshot button to view a read-only copy of the disclosure information.

- **LE Snapshot (Loan Estimate)** - LE Snapshots include tabs that show the content on each page of the Loan Estimate form.

- **CD Snapshot (Closing Disclosure)** - CD Snapshots include tabs that show the content on each page of the Closing Disclosure form.

- **Safe Harbor Snapshot** (Anti-Steering Safe Harbor Disclosure)

- **SSPL Snapshot** (Settlement Service Provider List)

- **Itemization Snapshot** (2015 Itemization) - All sections are collapsed by default, but can be expanded. A read-only version of the Fee Details pop-up window can be opened for each fee.

Documents Sent

This section lists the disclosure documents that were sent to the borrower. For documents that were sent electronically in an eDisclosure package, click the **View Document** button to view a read-only copy of the documents.

Reasons Tab

NOTE: This tab displays only when you have selected a Disclosure History record for a disclosure package that includes a Loan Estimate or Closing Disclosure.

The Reasons tab displays information that describes the purpose of a revised disclosure. The information is populated from the Loan Estimate Page 1 or the Closing Disclosure Page 1. You can edit information on the tab, but the edits are not copied back to the Loan Estimate or Closing Disclosure form.

- Use the Reason section to select one or more check boxes that describes the reason for the redisclosure. If you select Other, enter a description in the text field.
- In the changed circumstance section, click the **Select** icon (magnifying glass) to populate the Changed Circumstance field from a predefined list, and then type comments in the Comments field as needed.

eDisclosure Tracking Tab

NOTE: This tab displays only when you have selected an eDisclosure package entry in the Disclosure History list.

The eDisclosure Tracking tab provides the dates when the borrower and co-borrower take action on the selected eDisclosure package and details about the latest eDisclosure Fulfillment Service package that was printed and sent to the borrower (if applicable).

- Click **View Details** to open the original email message (including the **From**: and **To**: email addresses) that was sent to the borrower when sending the eDisclosure package.
- Click **View Form** to view the eDisclosure Agreements (PDF) for the borrowers.
- The read-only fields in the Status section are auto-populated with the date on which the borrower and co-borrower (if applicable) access, accepts, reject, or electronically sign the eDisclosure package. In addition, the ePackage ID is provided. This ID is captured to easily identify valid eDisclosure package orders.
- The read-only fields in the Fulfillment section are auto-populated with the date on which the latest eDisclosure Fulfillment Service package was created and sent to the borrower, by whom the package was ordered, the presumed date the borrower will receive the package, and the actual date the borrower received the package.

- If your administrator has given you permission in the Persona settings, you can click **Print Documents and Manually Fulfill** to print and manually send the documents. After you print the documents, the Manually Fulfill window displays. Select a fulfillment method, enter comments as needed, and then click **Submit**.
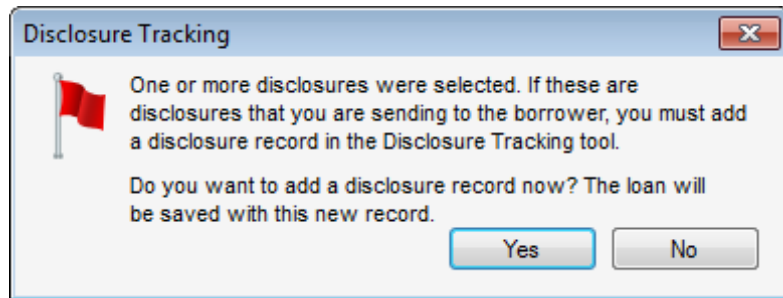
NOTE: Whether or not the Disclosure Tracking prompt displays when you print or preview a form is defined by your system administrator on the Disclosure Tracking Settings tool.

To Add a Disclosure History Entry Using a Disclosure Tracking Prompt:

1 Open a loan, and then click the **Forms** tab.

2 Click the form in the list.

3 Click the **Print** icon.

- Click **Preview** to preview the document.

- Click **Print**, select your printing options on the Print window, and then click **OK** to print the document.

4 When the Disclosure Tracking prompt displays, click **Yes**.

TIP: Remember, the document must be included in the Document Tracking Settings list or you will not be prompted to create a history entry when previewing or printing the document.

Exclude a Disclosure History Entry

After an entry is added to the Disclosure History, it cannot be deleted. However, you can exclude an old or invalid entry so it is not included in the Compliance Timeline, nor the LE Tracking and CD Tracking sections.

To Exclude a Disclosure History Entry:

1 Select the entry from the Disclosure History list.

2 Click **Exclude From Timeline**.

- The entry is still visible in the Disclosure History, but it is no longer included in the Compliance Timeline, or LE and CD Tracking sections.

- To add an excluded entry back to the timeline, click **Include in Timeline**.

To Print the 2015 Disclosure Tracking Output Forms:

1 Click the **Print** icon on the upper-right of the loan file.

2 Click the **Standard Forms** tab.

3 Select **Tools** from the **Look In** drop-down list.

4 In the left panel, select one or more of the disclosure tracking forms (Disclosure Tracking Summary, Disclosure Tracking Details, and Disclosure Tracking Snapshot), and then click the **Add** button.

5 Click one of the buttons to **Preview**, **Print**, **Print to File**, or **Add to eFolder**.

Disclosure Details

The Disclosure Details section provides key information about the disclosure currently selected in the Disclosure History list.

- The Disclosure Information section provides the disclosure's Sent Date, by whom it was sent, the sending method, and the date the borrower received the disclosure.

- Click the blue **Lock** icon to manually enter a Sent Date date, if applicable.

- To change the Method the disclosure was sent, select an option from the drop-down list.

- Additional comments can be manually entered in the Comments area. This area may also be auto-populated with comments from the Loan Estimate.

- The Loan Snapshot section provides the key loan fields that were disclosed to the borrower. If the Loan Estimate is included in the disclosure, click the **LE Snapshot** button to view a Read Only copy of the disclosed LE. Snapshots are provided for the Closing Disclosure, Safe Harbor Snapshot, Settlement Service Provider List, and Itemization forms as applicable.

- The Documents Sent section lists the documents that were included in the disclosure package.

Encompass Compliance Service TILA-RESPA Review

The Encompass Compliance Service (ECS) enables you to perform a loan check (i.e., order a compliance report) at any point during the loan process. During a loan check, loans are reviewed for compliance issues based on Truth in Lending (TIL), HOEPA, State and Local High Cost, State Consumer Credit, and other industry regulations and mandates. Once the check is complete, a compliance report is generated indicating the loan's compliance issues and exceptions, as well as data within the loan that successfully passed the review.

An individual with an Encompass *admin* user ID can use the Compliance Review Setup to configure the Encompass Compliance Service. This tool provides an instant loan file check and determines if a loan complies with selected state and federal regulations.

The *TILA-RESPA Review* is enabled automatically when the *TILA Review* is enabled. When setting up these reviews, the administrator can click the associated **Edit** icon to control whether the TILA or TILA-RESPA Review will be triggered on a loan, based on the origination channel or other characteristics of the loan. Additional settings may also be configured.

For more information, refer to, Encompass Compliance Service TILA-RESPA Review.

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2015 RESPA-TILA Forms

The following section provides detailed descriptions of the 2015 Itemization, Loan Estimate form, Closing Disclosure form, RegZ-LE form, RegZ-CD form, and the Fee Variance Worksheet, as well as instructions for entering data in specific sections on the forms.

2015 Itemization Form

The 2015 Itemization form provides details of closing costs and other charges that must be satisfied before the loan closes. These fees are entered on the 2015 Itemization form and are used to populate the fee entries on the Loan Estimate and Closing Disclosure input forms.

The fees listed on the 2015 Itemization are nearly identical to those listed on the 2010 Itemization. A new feature in the 2015 Itemization is a series of Fee Details pop-up windows that enable you to enter detailed information about each fee, including the entities who are paying the fee in part or in whole (Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and the portion of the payment that falls into different payment categories, such as Financed, Paid at Closing (PAC), Paid Outside Closing (POC), and Paid Through Closing (PTC). These pop-up windows are accessible by clicking an icon ⬈ to the left of the fee entry on the 2015 Itemization.

Navigation and Display

- Use the links on the upper-right for easy access to the Disclosure Tracking tool and the various pages of the Loan Estimate (LE) and Closing Disclosure (CD) forms.

- Use the blue **Show** or **Hide** icons (plus sign or minus signs) to show or hide the content below the headers for the numbered sections (700-1400):
    - Click the icons on the upper-right to show or hide the content for all sections.
    - Click the icons at the top of each section to show or hide the content for that section.
- As fees are entered, the section header displays the total fees paid by the Borrower, Seller, and Other, as well as the Total amount for all fees in the section.

General Guidelines

- Type the costs and fees assigned to the borrower, seller, or both.
- For calculated fields, the value is placed in the Borrower field. If you type a value in the associated Seller field, that amount is deducted from the Borrower value.

- Use the check boxes in the columns on the right to specify the characteristics of the fee.
- If your administrator has created predefined fee descriptions for miscellaneous closing costs (fees with blank description fields), select a description from the drop-down list
- If your administrator has granted you permission, you can also type a description in the space provided.
- The Truth In Lending requirements that went into effect on April 1, 2011 prohibit any person other than the borrower from paying compensation to a loan originator in a transaction where the borrower pays the originator directly. If your administrator has configured the LO Compensation Rule to govern a fee being paid to a broker in line 801, a green **LO Compensation** icon displays next to the fee line. The LO Compensation Violation message may display any time fees are set to be paid to the broker by both the borrower and someone else other than the borrower.
- If the **Address Book** icon displays next to a field, click the icon to select the provider's name from your business contacts. Or type the name in the field and, optionally, right-click to add a new contact to your business contacts.
- Use the **Edit** icons to open a calculator to determine the associated field value.

The Cost and Fee Designations section below describes general instructions for working with costs and fees. Procedures specific to individual sections of the 2015 Itemization form are also described below.

Cost and Fee Designations

When you record costs and fees:

- Type the amount of the fee in the Borrower or Seller columns (or both).
- If the value in the Borrower column for lines 801 through 803 will be paid by someone other than the borrower, use the **Paid By** column to indicate who will pay the fee, Broker (**B**), Lender (**L**), or Other (**O**).
- Select one or more check boxes as appropriate in sections 800 through 1300.
    - **P (Paid outside closing/Paid through closing)** - All or part of the fee is being paid outside closing (POC) or paid through closing (PTC).
    - **B (Borrower select)** - The borrower opted to find a provider for the service.
    - **A (APR fees)** - Borrower costs that are used to calculate the APR.
- Use the **Paid to** column in sections 800 through 1300 to indicate to whom the fee will be paid.
    - **B (Broker)** - The fee is paid to the broker.
    - **L (Lender)** - The fee is paid to the lender (creditor).
    - **S (Seller)** - The fee is paid to the seller.

- **I (Investor)** - The fee is paid to the investor.
- **A (Affiliate)** - The fee is paid to an affiliate of the lender or the broker.
- **O (Other)** - The fee is paid to someone other than the broker, lender, seller or investor. The value is placed in the Paid To Others column on the MLDS.
- Click the **Fee Details** icon ⬀ to the left of a fee entry to open the Fee Details pop-up window for the fee. Use the pop-up window to edit the information entered in the **Paid to** and **Paid by** drop-down lists and the check boxes described above. The Fee Details window enable you to enter detailed information about the fees. The information entered in the pop-up window is copied back to the 2015 Itemization. For detailed information, refer to "Fee Details" on page 97.

Sections 700 through 1400

700

The 700 section lists the fees paid for sales agent and real estate broker commissions, including the amount to be paid to each commission recipient and the commission amounts that will be paid by the borrower and seller.
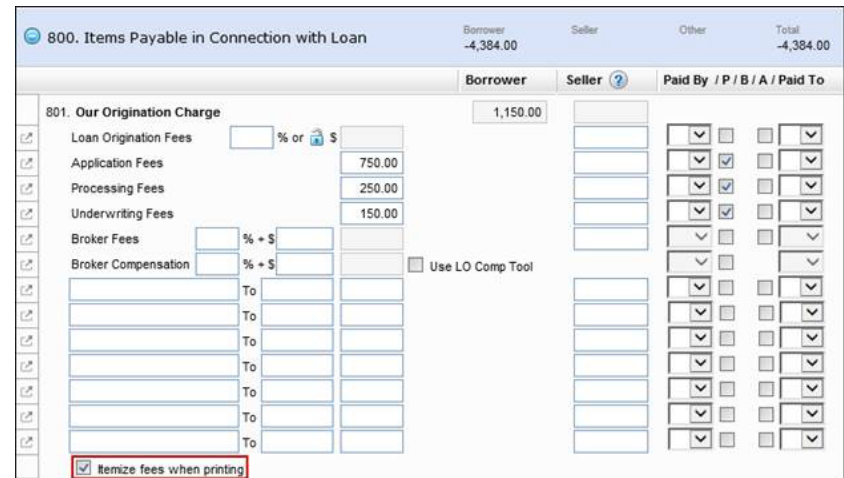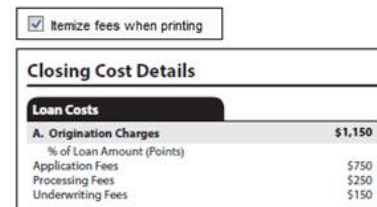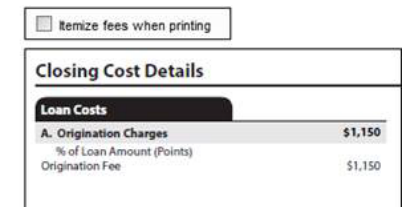
- Use lines 701-702 to state the split of the commission where the settlement agent disburses portions of the commission to two or more sales agents or brokers. The total of lines 701 and 702 are automatically calculated based on the values entered in the associated fields in the Borrower and Seller columns.
- Line 703 is automatically calculated based on the total of the Borrower and Seller fields for lines 701-702 and represents the amount of the sales commission disbursed at settlement.
- Use line 704 for additional charges made by the sales agent or broker, or for a sales commission charged to the Borrower to be disbursed by the settlement agent. Enter a description of the commission fee, and then enter the recipient of the fee in the To field.
- Use the Fee Details pop-up windows to enter details for each fee.

800

The 800 section lists origination and processing charges, origination credits, and origination points.

Line 801

- Enter Origination Charges in the Line 801 section. Fees entered in the 801 section are populated to Section A in the Loan Estimate Page 2 and Section C in the Closing Disclosure Page 2. If there are not enough lines to list all your fees, you can combine multiple fees on a single line. The total amount listed on the Our Origination Charge line will print on the Loan Estimate output form.
- The **Itemize fees when printing** check box determines how fees display on the Loan Estimate Page 2 and Closing Disclosure Page 2 output forms. The following examples show how the fees from the 801 section above are populated to the Loan Estimate Page 2 with the check box selected and cleared. The check box is selected by default on the 2015 Itemization.

- The Truth In Lending requirements that went into effect on April 1, 2011 prohibit any person other than the borrower from paying compensation to a loan originator in a transaction where the borrower pays the originator directly. If your administrator has configured the LO Compensation Rule to govern a fee being paid to a broker, a green LO Compensation icon displays next to the fee line. The LO Compensation Violation message may display any time one of these

fees are set to be paid to the broker by both the borrower and someone else other than the borrower. In other words, if one fee being paid to the broker is being paid by the borrower, then all other fees being paid to the broker must be paid by the borrower as well. Or, if one of these fees is being paid by someone other then the borrower, then all other fees paid to the broker must be paid by someone other than the borrower as well. If the LO Compensation Violation message displays, select **Make all Paid by Borrower**, **Make all Paid by 3rd Party**, or **Take No Action** to proceed.

- **Broker Compensation** - When documenting compensation payments to the broker using the Broker Compensation line, you can select the **Use LO Comp Tool** check box to pull applicable broker compensation data from the LO Compensation tool into the Broker Compensation fields.

  - When the Use LO Comp Tool check box is selected, the corresponding Broker Compensation fields in sections 801 and 802 are populated with the values from the Wholesale/Broker Plan Calculations section of the LO Compensation tool.

  - In certain circumstances, the compensation percentage and flat charge populated to the 2015 Itemization will not match the corresponding values in the LO Compensation tool. In order for the total compensation amount being paid to the broker to match on the 2015 Itemization (field ID NEWHUD.X225) and the LO Compensation tool (the total Net Adjustment Comp (field ID LCP.X14)), Encompass automatically adjusts the compensation percentage (field ID NEWHUD.X223) and flat charge (NEWHUD.X224) on the 2010 Itemization. When the adjusted compensation percentage and flat charge are added together, the total (field ID NEWHUD.X225) matches the total in the LO Compensation tool (field ID LCP.X14).

    - Circumstances when this adjustment may occur include when the compensation plan is based on the base loan amount (field ID 1109) instead of the Total Loan Amount (field ID 2) or when adjustment credits are entered in the LO Compensation tool. Also, since the percentage fields in the LO Compensation tool allow for five decimal places while the percentage fields on the 2015 Itemization allow for only three decimal places, the percentage amounts will be adjusted on the form accordingly.

  - Once these values are pulled into the 2015 Itemization (and the **Use LO Comp Tool** check box remains selected), they will be automatically synchronized with the corresponding values in the LO Compensation tool. If values are changed in the tool, the values in the 2015 Itemization fields will recalculate accordingly.

- Use the Fee Details pop-up window to enter details for each fee.

Line 802

1 Use the Lender Paid Originator Compensation section to enter credits.

- Enter the percentage and amount (if needed) of Lender Compensation Credit to the broker in line a.

- Enter the percentage and amount (if needed) of any Origination Credit for the interest rate chosen to be paid by the lender in line b.

- Enter a description and amount for any user-defined credits in lines c and d.

- In the line 802 section, a Fee Details pop-up window is available only for the Total Credit for Rate Chosen entry. Use the Fee Details pop-up window to enter details for the fee.

NOTE: *If the **Use LO Comp Tool** check box is selected in section 801, applicable broker compensation data from the LO Compensation tool is populated to the Lender Paid Originator Compensation fields.*

2 Use the Origination/Discount Points Adjustments section to enter Discount Points.

- Enter the Origination points on line e. Use the Seller column to enter the seller paid portion as needed.

  - Select the **Bona Fide** check box to indicate that discount points entered in the Origination/Discount Point Adjustments section are bona fide discount points for the purposes of the Encompass Compliance Service's applicable high cost review or GSE point and fees threshold review.

- Enter descriptions and amounts for user-defined adjustments in lines f, g, and h.

- Use the Fee Details pop-up window to enter details for each fee.

NOTE: *In line a, the **Paid by** column is always paid by the Lender and the **Paid to** column is always paid to the broker.*

- When you finish entering credits and charges, the total credits display in the Total Credit for Rate Chosen field (NEWHUD.X1149) and the total charges display in the Total Charge for Rate Chosen field (NEWHUD.X1165).

NOTE: Under the 2015 RESPA-TILA guidelines, there is no longer a requirement to provide offset credits for broker compensation. Credits and charges are handled independently of each other.

Lines 803-835

The fees in lines 803 and 808-833 are free entry fees. These lines are populated to Section B on the Loan Estimate Page 2 and Closing Disclosure Page 2. These lines are populated to Section B on the Loan Estimate Page 2 and Closing Disclosure Page 2. Lines 803-833 display fees for third-party settlement services (except title service) required and selected by the loan originator. These fees cannot increase after the Loan Estimate has been disclosed.

For USDA loans, line 819 is reserved for the USDA Guarantee Fee.   For non-USDA loans, line 819 can be used for other purposes. Click the **Lock** icon to automatically clear line 819 and move the Guarantee Fee to line 902 (Mortgage Insurance Premium).

NOTE: If you use loan templates, make sure the templates do not populate a miscellaneous fee to line 819. Fees entered on this line will be overwritten when the USDA Guarantee Fee is calculated for a USDA loan.

Lines 834-835 allow entry of fees for services that are not disclosed on the Loan Estimate, for example a termite inspection.

Use the Fee Details pop-up windows to enter details for each fee.

900

Use the 900 section to enter fees that the lender requires to be paid in advance. These are fees for items which the lender requires to be paid at the time of settlement, but which are not necessarily paid to the lender (for example, FHA mortgage insurance premium for the upcoming year), other than reserves collected by the lender and recorded in the 1000-series.

- Select the **Display Daily Interest to 2 Decimals** check box to round and truncate the daily prepaid interest to two decimal points when the amount is populated on line three on the Loan Estimate Page 2 and the Closing Disclosure Page 2.

- Under RESPA regulations, lines 902 and 905 are subject to tolerance limits for fees that cannot increase more than 10% after the Loan Estimate is disclosed.

- If the borrower has the option of selecting a provider for a service, a check box displays in the **B** (Borrower Select) column. If you select the check box to indicate that the borrower will select a provider (or if you select the **Borrower**

did shop for check box in the Fee Details window) the fee is not subject to the tolerance limits for fees that cannot in total increase more than 10% after the Loan Estimate is disclosed.

- Property taxes entered in line 904 are now automatically categorized as property taxes.

- Use the Fee Details pop-up windows to enter details for each fee. Use the check box on the lower-left to indicate whether the borrower can shop for the service. This check box is also available on the Fee Details windows for other fees that the borrower could potentially shop for.

- The Fee Details window for the free entry fees on lines 907-912 have additional check boxes, which are cleared by default, but can be selected to indicate that a fee is classified as property taxes, homeowners insurance, or other fee. Fees designated as Property Tax or Other (minus the seller-obligated portion) are populated on the Fee Variance Worksheet in line F4. Prepaid Property Taxes/Other. Fees designated as Homeowner's Insurance (minus the seller-obligated portion) are populated as separate line entries on the Fee Variance Worksheet in the Charges that Can Change section. Amounts for fees with

these designations are adjusted as appropriate in the Initial LE, LE Baseline, CD Baseline, and Itemization columns when 2015 Itemization fees are adjusted and disclosures are sent.

1000

Enter escrow reserves deposited with the lender in the1000 section. These are the amounts collected by the Lender from the Borrower and held in an account for the future payment of the obligations listed as they fall due. This may be referred to as an "escrow", "impound", or "trust" account. In addition to the property taxes and insurance, some Lenders may require reserves for flood insurance, condominium owners' association assessments, etc.

NOTE: On the 2015 Itemization, use the 1000 section to record any property fee that could potentially be escrowed, for example HOA fees.

- On line 1001, the three check boxes are selected based on selections made for other line entries in the 1000 section.

- On line 1011, click the **Aggregate Setup** button to open the Initial Escrow Account Setup tool to configure the estimated activity in the borrower's escrow account for the coming year.

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- For lines 1002 through 1009, use the Fee Details pop-up windows to select the recipient and payer for each fee in the Paid by and Paid to columns. Encompass captures and identifies the recipients of fees for Escrow Impounds and these values are considered when making an ATR/QM and HOEPA points and fees assessment.

- For lines 1007, 1008, and 1009, one of the following check boxes is always selected: **Property Taxes**, **Homeowner's Insurance**, or **Other**.

  - Only one of these check boxes can be selected at a time. Selecting one of these check boxes clears the other selections.

  - The **Other** check box is selected by default and can only be cleared by selecting the **Property Taxes** or **Homeowner's Insurance** check box.

  - Clearing the **Property Taxes** or **Homeowner's Insurance** check box causes the **Other** check box to be selected.

- Use the Fee Details pop-up window to enter details for each fee and to select the **Escrowed** check box for each fee as appropriate. The escrow selections are copied to the Aggregate Escrow Account form and are then used to populate the Projected Payments section on the Loan Estimate Page 1 and Closing Disclosure Page 1. The following table shows how the 1000 sections fees map to the fees in the Aggregate Escrow Account form.

2015 Itemization	Aggregate Escrow
Line 1004 - Property Tax	Tax
Line 1002 - Homeowner's Insurance	Hazard Insurance
Line 1006 - Flood Ins. Reserve	Flood Insurance
Line 1005 - City Property Tax	City Property Tax
Line 1007 - Free Entry 1	Free Entry 1
Line 1008 - Free Entry 2	Free Entry 2
Line 1009 - Free Entry 3	Free Entry 3
Line 1010 - USDA Annual Fee	USDA Annual Fee

*NOTE: After Aggregate Escrow Setup is run for the loan, the resulting escrow information overwrites the previous escrow selections. The new escrow selections are copied back to the Fee Details windows and the **Escrowed** check boxes in the Fee Details windows are no longer editable.*

- Lines 1002 and 1004-1010 are mapped to section G on page 2 of the Loan Estimate and Closing Disclosure only if the **Escrowed** check box is selected in the Fee Details window.

- For a USDA loan, selecting the **Escrowed** check box on the Fee Details window for the USDA Annual Fee on Line 1010 causes the fee to be listed as Mortgage Insurance in section G line 2 on page 2 of the Loan Estimate and Closing Disclosure.

1100

Enter tile charges in the 1100 section. These are fees collected by the lender for title charges and charges by attorneys and closing or settlement agents, and then distributed to outside service providers. Use the Fee Details pop-up windows to enter details for each fee.

NOTE: If there are not enough lines to enter all the fees, you can combine multiple fees on one line.

- The fees in the 1100 section are subject to the tolerance limits for fees that cannot increase more than 10% after the Loan Estimate is disclosed.

- If the borrower has the option of selecting a provider for a service, a check box displays in the B (Borrower Select) column. If you select the check box to indicate that the borrower will select a provider, the fee is not subject to the tolerance limits for fees that cannot in total increase more than 10% after the Loan Estimate is disclosed.

- On line 1101, the read-only totals at the top of the columns includes the amounts from the six entries in the line 1101 section only.

- Clear the **Itemize fees when print** check box at the bottom of line 1101 to print the total amount for line 1101 fees (without itemizing them) on the Itemization of Amount Financed and Addendum to Loan Estimate output forms.

- With the exception of lines 1105-1108, use the Fee Details pop-up windows to enter details for each fee.

- Charges entered in the 1100 section display on the Loan Estimate Page 2 and Closing Disclosure Page 2 preceded by "Title –". You do not need to type the designation in the fee description.

1200

Enter recording fees and government taxes in the 1200 section. These are fees collected by the lender for government recording and transfer charges, and then distributed to local and state agencies.

- For lines 1202, 1204, and 1205, click an **Edit** icon to itemize an entry.

- For lines 1206 through 1208, click a **Find** icon to select predefined formulas to calculate the associated field.

- Line 1201 includes the total of line 1202 and 1206-1210, and is subject to tolerance limits for fees that cannot in total increase more than 10% after the Loan Estimate is disclosed.

- Lines 1203-1205 displays taxes that cannot increase at all after the Loan Estimate has been disclosed.
- Use the Fee Details pop-up windows to enter details for each fee.

1300

Enter other settlement charges in the 1300 section. These are charges and other miscellaneous fees not already recorded in sections 800 through 1200.

- Line 1301 displays the total for all fees in this section that are subject to tolerance limits for fees that cannot in total increase more than 10% after the Loan Estimate is disclosed.

- Select the check box in the **B** (Borrower Select) column to indicate that the borrower will select a provider for any of the services in the 1300 section. If the borrower opts to select a provider, the fee is not included in line 1301 and is not subject to the tolerance limits.
- Charges entered in lines 1301-1309 display in Section C on the Loan Estimate Page 2 and in sections B or C on the Closing Disclosure Page 2 (depending on whether the borrower actually did or did not shop for the service after the Loan Estimate was disclosed).
- Charges entered in lines 1310-1315 display in Section H on the Loan Estimate Page 2 and the Closing Disclosure Page 2. These fees are not associated with the loan costs and are not included in line 1301.
- Use the Fee Details pop-up windows to enter details for each fee.

1400

The 1400 section lists the total of all the estimated settlement charges for the borrower and seller, and the total amount of all fees that are financed as part of the loan.

Additional Summary and Total Sections

Three additional summary and totals sections display at the bottom of the 2015 Itemization.

Closing Costs Summary

This section summarizes the costs recorded in sections 800 through 1300. The calculations are based on the payment designations for each line item.

Contract Seller Credit

The total of all seller-paid amounts for fees minus the seller obligated-portion of the fee.

Total Borrower Paid CC (a)

The total of all closing costs recorded in the Borrower column not marked as paid by Broker (B), Lender (L), or Other (O), and not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the Lock icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Seller Paid CC

The total of all closing costs entered in the Seller column not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the **Lock** icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Broker Paid CC

The total of all closing costs entered in the Borrower column that are marked as paid by Broker (B), and not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the **Lock** icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Lender Paid CC

The total of all closing costs entered in the Borrower column that are marked as paid by Lender (L), and not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the **Lock** icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Other Paid CC

The total of all closing costs entered in the Borrower column that are marked as paid by Other (O), and not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the **Lock** icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Non-Borrower Paid CC (b)

The total of the closing costs paid by the Seller, Broker, Lender, and Other and not checked as Paid Outside of Closing (P). To record a lump sum (instead of itemizing the costs), click the Lock icon to lock the field. You can then type a value that will not be overridden by a calculation.

Total Closing Costs (a+b)

The total of all Borrower and Non-Borrower paid closing costs that are not checked as Paid Outside of Closing (P).

Other Summaries

Click the **Other Summaries** button to access the following additional summary information. The information in these fields is calculated based on information in the Fee Details windows on the 2015 Itemization.

Total Prepaid Finance Costs (APR)

The total of all closing costs paid by the Borrower, Broker, or Other that have the **Impacts APR** check box selected in the Fee Details windows.

Total Paid Outside of Closing (POC)

The total of all closing costs paid by the Borrower, Seller, Broker, Lender, or Other that are listed in the POC column in the Fee Details windows. These values are not used in the calculation of closing cost totals.

Total FHA Borrower Paid Closing Costs

The total of all closing costs listed in the Borrower Amount Paid field in the Fee Details windows (except line 802e discount points). To record a lump sum (instead of itemizing the costs), click the **Lock** icon. You can then type a value that will not be overwritten by calculations.

Total FHA Seller Paid Closing Costs

The total of all closing costs listed in the Seller Amount Paid field in the Fee Details windows. To record a lump sum (instead of itemizing the costs), click the **Lock** icon. You can then type a value that will not be overridden by calculations.

Total Costs Paid to Broker (PTB)

The total of all closing costs listed in the Broker Amount Paid field in the Fee Details windows.

Total Closing Costs Paid to Other (PTO)

The total of all closing costs listed in the Other Amount Paid field in the Fee Details windows.

Total Costs Financed

The total of all closing costs listed in the Borrower Financed field in the Fee Details windows.

Total Estimated Monthly Payment

The section displays the proposed monthly housing expenses as entered on page 2 of the 1003.

Total Estimated Monthly Payment	
First Mortgage	1,007.35
Other Financing	
Hazard Insurance	83.33
Real Estate Taxes	450.00
Mortgage Insurance	109.02
HOA Dues	
Other	100.00
Total Monthly Payment	1,749.70

Total Estimated Funds Needed to Close (Details of Transaction)

A summary of the borrower's estimated charges and credits. The charges are then subtracted from the credits to determine the additional funds due from, or surplus funds owed to, the borrower. Most of the fields in this section are filled from entries on other forms.

To Complete the Entries:

1 Use the four fields under line l to record additional credits due to the borrower.

2 Click the **Edit** icon open a calculator to determine upfront and monthly mortgage insurance and funding fees, if applicable.

Total Estimated Funds Needed to Close (Details of Transaction)				
a. Purchase Price	240,000.00	j. Subordinate Financing		
b. Alterations		k. CC Paid by Seller	🔒	32.00
c. Land		l.		
d. Refi (inc. debts to be paid off)	🔒			
e. Estimated Prepaid Items	🔒 3,159.90			
f. Estimated Closing Cost	🔒 7,439.00			
g. PMI, MIP, Funding Fee	🔒	New First Mortgage		
h. Discount (if Borrower will pay)	🔒 2,110.00	CC from 1st / 2nd		
i. **Total Costs** (a through h)	252,708.90	CC Paid by Broker, Lender, and Other		
		m. Loan Amount		211,000.00
		n. PMI, MIP Financed	✏️	
		o. Loan Amount (m + n)		211,000.00
		Total Credits (j through n)		211,032.00
		p. **Cash from / to Borrower**	🔒	41,676.90

Fee Details

On the 2015 Itemization input form, click the **Fee Details** icon 🔗 to the left of a fee line number to open the Fee Details window and enter or edit detailed information about the fee. Fee Details windows have the following characteristics:

- Entering or editing a fee in the pop-up window updates the information for the associated fee on the 2015 Itemization.

- Entering or editing a fee on the 2015 Itemization form updates the information in the pop-up window.

- The pop-up window can be moved to another location (or a second computer monitor if available) for easy viewing.

- Multiple pop-up windows can be opened simultaneously to compare the details for multiple fees.

- Pop-up windows remain open until you close the window or close Encompass, enabling one or more Fee Details windows to be viewed while other Encompass forms are open.

- The Borrower amount is copied from the Borrower column on the 2015 Itemization. Adjustments to the Borrower amount are applied to the Total Fee Amount and Borrower PTC amount fields in the Amount Paid by section.

• The Seller amount is copied from the Seller column on the 2015 Itemization. Adjustments to the Seller amount are applied to the Total Fee Amount fields and to the Seller PAC amount in the Amount Paid by section.

NOTE: Refer to Fee Details Window Quick Reference Guides on page 173 to view quick reference guides that explain how to use the Fee Details pop-up windows provided on the 2015 Itemization input form to enter or edit detailed information about the fee.

Working in the Fee Details Window

The Fee Details windows include the features described below.

Header

The top section of the pop-up window displays fee information as it appears on the 2015 Itemization line entry for the fee, including the line number, fee description or editable description field, Borrower amount (the borrower-paid portion of the fee), and the Seller amount (seller-paid portion of the fee).

• The Borrower amount is copied from the Borrower column on the 2015 Itemization. When the Borrower amount is editable, adjustments to the Borrower amount are also applied to the Total Fee Amount fields and to the Borrower PTC amount in the **Amount Paid by** section. Adjustments are also copied back to the Borrower column on the 2015 Itemization.

• The Seller amount is copied from the Seller column on the 2015 Itemization. When the Seller amount is editable, adjustments to the Seller amount are also applied to the Total Fee Amount fields and to the Seller PAC amount in the **Amount Paid by** section. Adjustments are also copied back to the Seller column on the 2015 Itemization.

• When a Borrower amount is a calculated field on the 2015, the header information displays the fields used to calculate the Borrower amount (for example: the number of months that the fee is to be paid and the monthly amount; or fields for a percentage plus a standard additional fee). The Borrower amount is not editable for these fees, but the Borrower amount can be updated by adjusting the fields used to calculate the Borrower number.

• The header information for some fees includes a To field in the header information. Names entered in this field are copied to the Paid To Name field described below.

Total Fee Amount

The Total Fee Amount fields are calculated and cannot be edited.

The Total Fee Amount includes:

- The dollar amount of the fee. This field is a non-editable field calculated by adding the Borrower and Seller amount fields from the header section. This field also displays in the **Amount Paid by** section at the bottom of the Amount Paid column.

- The fee represented as a percentage. This is a non-editable field calculated by dividing the dollar amount of the fee by the loan amount, and then multiplying by 100. The calculation uses the total loan amount including any funds for PMI/MIP financing (field ID 2) for all loans with the exception of FHA loans, which use the loan amount excluding any funds for PMI/MIP financing (field ID 1109).

- The dollar and percentage amounts are recalculated when adjustments are made to the Borrower and Seller amounts in the header.

Last Disclosed

The amount of the fee as last disclosed on the Loan Estimate and Closing Disclosure. The fees are populated based on the most recently disclosed version of each disclosure form as recorded in the Disclosure Tracking tool with the exception of disclosure entries that have been excluded from the timeline. Fees that are not disclosed on the Loan Estimate do not have an entry field for the Loan Estimate.

NOTE: Fees that are not disclosed on the Loan Estimate do not have an entry field for the Loan Estimate.

Paid to

- **Paid to Type** - The category of the entity to whom the fee is being paid: Broker, Lender, Seller, Investor, Affiliate, or Other. The Paid to Name is populated with the company name in the file contacts for the chosen Type when **Broker**, **Lender**, **Seller**, or **Investor** is selected, but not when **Affiliate** or **Other** is selected (there are no entries for Affiliate or Other in File Contacts tool).

  *NOTE: For lines 903, 906, 1103, and 1104, a **Retained amt** field displays directly below the Paid to Type field and enables you to enter a portion of the fee that is not included in Section 32 points and fees for purposes of determining a Qualified Mortgage (QM).*

- **Paid To Name** - Name of the entity to whom the fee is being paid. When **Broker**, **Lender**, **Seller**, or **Investor** is selected in the Paid to Type field, the Paid to Name field is populated with the name of the broker, seller, lender, or investor from the File Contacts tool. Click the **Address Book** icon to import a name from your business contacts.

Amount Paid by

The Amount Paid By section provides a detailed breakdown of the entities who are paying the fee (Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and columns listing the portion of the payment that falls into different payment categories (Financed, PTC, PAC, and POC). The payment details display in a table that includes the fields described below.

NOTE: *The Borrower PAC, Borrower POC, Seller PAC, Seller POC, and Total Paid by B/L/O fields are the fields that display on the Closing Disclosure Page 2 in the Borrower-Paid, Seller-Paid, and Paid by Other columns.*

- **Borrower Financed** - The portion of the fee paid from the loan funds at closing. Changes to the Borrower Financed field amount result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Borrower Financed field is increased by $100, the Borrower PTC field decreases by $100.

- **Borrower PTC** - The portion of the fee aid from the borrower's own funds as part of the closing process. This is a non-editable field calculated by taking the Total Fee Amount and subtracting the amounts in the Borrower Financed, Borrower POC, Seller Amount Paid, and Total Paid By B/L/O fields.

- **Borrower PAC** - The total portion of the fee paid at closing by the borrower. This is a non-editable field calculated by adding the Borrower Financed and Borrower PTC amounts.

- **Borrower POC** - The portion of the fee paid outside closing by the borrower, for example, an appraisal fee paid by the borrower before closing. Changes to the Borrower POC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Borrower POC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Borrower Amount Paid** - The total amount paid by the borrower (the Borrower PAC amount plus the Borrower POC amount). This is a non-editable field calculated by adding the Borrower PAC and Borrower POC amounts.

- **Seller PAC** - The portion of the fee paid at closing by the seller. This is a non-editable field calculated by taking the Seller amount in the header section and subtracting the Seller POC amount.

- **Seller POC** - The portion of the fee paid outside closing by the seller. If the Seller amount in the header is blank or **0**, the Seller POC field is not editable. Changes to the Seller POC field result in the Seller POC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Seller POC field amount is increased by $100, the Seller POC field amount decreases by $100.

- **Seller Amount Paid** - The total amount paid by the seller. This is a non-editable field calculated by adding the Seller PAC amount and the Seller POC amount. The Seller Amount Paid and the Seller field in the header always display the same amounts.

- **Broker PAC** - The portion of the fee paid at closing by the broker. Changes to the Broker PAC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Broker PAC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Broker POC** - The portion of the fee paid outside closing by the broker. Changes to the Broker POC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Broker POC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Broker Amount Paid** - The total amount paid by the broker. This is a non-editable field calculated by adding the Broker PAC amount plus the Broker POC amount.

- **Lender PAC** - The portion of the fee paid at closing by the lender. Changes to the Lender PAC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Lender PAC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Lender POC** - The portion of the fee paid outside closing by the lender. Changes to the Lender POC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Lender POC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Lender Amount Paid** - The total amount paid by the lender. This is a non-editable field calculated by adding the Lender PAC amount plus the Lender POC amount.

- **Other PAC** - The portion of the fee paid at closing by someone other than the borrower, seller, broker, or lender. Changes to the Other PAC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Other PAC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Other POC** - The portion of the fee paid outside closing by someone other than the borrower, seller, broker, or lender. Changes to the Other POC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same. For example, if the Other POC field amount is increased by $100, the Borrower PTC field amount decreases by $100.

- **Other Amount Paid** - The total amount paid by someone other than the borrower, seller, broker, or lender. This is a non-editable field calculated by adding the Other PAC amount plus the Other POC amount.

- **Total Paid By B/L/O** - The total portion of the fee paid by the Broker, Lender, and Other. This is a non-editable field calculated by adding the Broker Amount Paid, the Lender Amount Paid, and the Other Amount Paid.

- **Total Fee Amount** - The total of the Amount Paid entries for Borrower, Seller, Broker, Lender, and Other. This is a non-editable field calculated by adding the Borrower and Seller amount fields from the header section. This field also displays directly below the header section.

- **Sec 32 Points and Fees** - The portion of the fee classified as Section 32 points and fees. By default, the Borrower PTC value is copied here. This is a locked field, calculated by starting with the Borrower amount from the header and then subtracting the Borrower Financed Amount, the Borrower POC Amount, and the Total Paid by B/L/O amounts. Click the **Lock** icon to manually edit the amount. Section 32 points and fees cannot exceed the PTC amount.

    NOTE: The Section 32 Points and Fees field displays on a Fees Details window only for fees that can be classified as Section 32 Points and Fees.

The first time a value is entered in the Borrower column on the 2015 Itemization form, the same value displays in the following fields in the Fee Details window:

- Borrower field in the header
- Borrower PTC
- Borrower PAC
- Borrower Amount Paid
- Sec 32 Points and Fees (if applicable)

When additional changes are made in the Borrower column on the 2015 Itemization form, the same changes are made in the Borrower field in the header and in the PTC field on the Fee Details window. Calculated field values are recalculated as appropriate.

The first time a value is entered in the Seller column on the 2015 Itemization form, the same value displays in the following fields in the Fee Details window:

- Seller field in the header
- Seller PAC
- Seller Amount Paid

When additional changes are made in the Seller column on the 2015 Itemization, form, the same changes are made in the Seller field in the header and the Seller PAC field on the Fee Details window. Calculated field values are recalculated as appropriate.

When you enter or edit amounts in a field, the values in other fields are adjusted so that the Total Fee Amount remains the same. For example, if the Borrower POC field amount is increased by $100, the amounts in the Borrower PTC and Borrower PAC fields decrease by $100. For detailed information about how changes in each field affect other fields in the pop-up window, refer to the *Fee Details* topic in the Encompass online help.

Check Boxes

The lower left portion of the pop-up window displays the check boxes described below.

- **Borrower can shop for** - Select this check box to indicate that the borrower is allowed to select a third-party supplier for the service. If cleared, the fee displays in section B on the Loan Estimate. If selected, the fee displays in section C on the Loan Estimate.
- **Borrower did shop for** - Select this check box to indicate that the borrower has selected a third-party supplier for the service. If cleared, the fee displays in section B on the Closing Disclosure. If selected, the fee displays in section C on the Closing Disclosure.
- **Impacts APR** - Select this check box to indicate that the borrower's portion of the fee is used when calculating the APR. The check box is selected by default when the **A** check box is selected on the 2015 Itemization.
- **Seller Credit** - This check box is not editable and is selected by default when an amount is entered in the Seller PAC or Seller POC field in the header.
- **Seller Obligation** - Select this check box if the fee is seller obligated.
  - When the **Seller Obligated** field is selected, the entire seller-paid portion of the fee is entered in the amount field next to the check box, and the **Seller Credit** check box is cleared.
  - When the **Seller Obligated** field is selected and the amount in the field is reduced to a portion of the fee, both the **Seller Obligated** and **Seller Credit** check boxes are selected. This indicates that the portion of fee not listed in the amount field is a seller credit.
  - Click the **Lock** icon to edit the amount. If the amount in the Seller Obligated field is less than the total of the Seller PAC plus the Seller POC, both the **Seller Obligated** and **Seller Credit** check box are selected.
- **Taxes** and **Insurance** - Lines 907–912 have these additional check boxes, which are cleared by default, but can be selected as needed to indicate that a fee is classified as tax or insurance. Fees in lines 907-912 are populated to section F on the Loan Estimate Page 2 and Closing Disclosure Page 2.
- **Property Cost, Insurance, and Taxes** - Lines 1007, 1008, and 1009 have three additional check boxes that are used by the Aggregate Escrow Account tool when calculating annual escrowed and non-escrowed payments. Select or clear the check boxes as needed.
- **Escrowed** - Lines 1002 and 1004-1010 have an **Escrowed** check box that can be selected to include the fee in the Estimated Escrow amount that displays in the Projected Payments section on the Loan Estimate Page 1 and Closing Disclosure Page 1 input forms.

  *NOTE: When Aggregate Escrow is set up for the loan, the Aggregate Escrow calculations take precedent over any existing **Escrowed** check box selections. The escrow options from the Aggregate Escrow setup are copied to the fee details windows and the **Escrowed** check boxes in the Fee Details windows are no longer editable.*

Section of Disclosure Form

The lower-right section of the Fee Details window describes where the fee displays on the disclosure output forms. The section letter of the output form displays next to the labels for Loan Estimate Section and Closing Disclosure Section. Fees that are not disclosed on the Loan Estimate or Closing Disclosure do not have entries for the Loan Estimate Section or Closing Disclosure Section.

| Loan Estimate Section | F |
| Closing Disclosure Section | F |

NOTE: Refer to Fee Details Window Quick Reference Guides on page page 173 to view quick reference guides that explain how to use the Fee Details pop-up windows provided on the 2015 Itemization input form to enter or edit detailed information about the fee.

Loan Estimate Input Form

The Loan Estimate input forms (pages 1-3) enable users to review, edit, or enter information that is populated to the Loan Estimate output form that is provided to the borrower no later than the third business day after the loan application is received. Each of the three Loan Estimate input forms corresponds to one of the three pages in the Loan Estimate output form.

Loan Estimate Page 1

Use the Loan Estimate Page 1 to review basic Loan Estimate disclosure information, lender information, loan details, loan terms, projected payments, and the costs at closing. This form is used to populate page 1 of the Loan Estimate output form.

Disclosure Information

The Disclosure Information section displays information about the most recent Loan Estimate, the reason and changed circumstance for any redisclosure, and information about the most recently disclosed Loan Estimate that has not been excluded from the Disclosure Tracking timeline.

Fee Level Disclosures

The Fee Level Disclosures check box (field ID 4461) is provided above the list of changed circumstance reasons on the Loan Estimate (LE) Page 1 and Closing Disclosure (CD) Page 1 input forms. By default, this check box is NOT selected, which indicates that loans will be disclosed at a disclosure level. When this check box IS selected, fees must be redisclosed at the fee level (i.e., users must send revised disclosures when a fee is changed). You can document disclosure reasons with and without a changed circumstance when doing a fee level disclosure. Certain informational disclosure reasons on the LE Page 1 are available to select and enter details about, and they will be reflected in the

Disclosure Tracking tool as applicable. This enables fee changes to continue to be documented at the fee level with the added benefit of permitting disclosure reasons to be identified at the disclosure level.

The following changed circumstance fields and reasons on the LE Page 1 are now always enabled so they can be selected to indicate a changed circumstance reason:

- Changed Circumstance (field ID 3168)
- Changes Received Date (if Changed Circumstance field is selected) (field ID 3165)
- Changed Circumstance text box and Lookup (magnifying glass) icon (if Changed Circumstance field is selected) (field ID 3169)
- Comments box (if Changed Circumstance field is selected) (field ID LE1.X86)

Reasons:

- Change in APR (field ID CD1.X52)
- Change in Loan Product (field ID CD1.X53)
- Prepayment Penalty Added (field ID CD1.X54)
- 24-hour Advanced Preview (field ID CD1.X56)
- Tolerance Cure (field ID CD1.X57)
- Clerical Error Correction (field ID CD1.X58)
- Other (field ID LE1.X84 and CD1.X59)

You can also open the Good Faith Fee Variance Violated alert and enter information in the alert that will then be populated to these fields as applicable.

Note that administrators use the Changed Circumstances section of the Disclosure Tracking Settings screen to control if this check box is selected or not. If the administrator configures this check box to be selected, users will not be permitted to change it.

It is important to consider that the disclosure level that is set with the Fee Level Disclosures check box is established once the initial disclosure (typically the LE) is sent. Once this initial disclosure has been sent, you cannot change the Fee Level Disclosures check box. Once you have disclosed at a fee level, you must continue to redisclose at a fee level for the remainder of the loan's lifecycle (and vice versa if you have initially disclosed at a disclosure level). The Fee Level Disclosures check box will no longer be editable (i.e., it will be grayed out) once the loan is disclosed. For loans started in earlier versions of Encompass before this check box was available, the check box will not be selected.

Change of Circumstance Reasons

The Reason section enables a user to select the reason for a redisclosure. for a redisclosing a Loan Estimate. The check boxes in this section can be selected only after an initial Loan Estimate has been disclosed to the borrower.

To Indicate the Reason for a Redisclosure:

1 Select one or more reasons to indicate why the redisclosure is being made.

2 If you select the **Other** option, enter a description in the text box.

The Changed Circumstance section enables users to enter or edit details about a changed circumstance that results in a redisclosure.

To Indicate a Changed Circumstance:

1 Select the **Changed Circumstance** check box.

• The Changes Received Date is populated automatically. To change the date, type a new date or click the **Calendar** icon to select a date.

2 Click the **Lookup** icon to the right of the Changed Circumstance field to select a reason for the changed circumstance from a predefined list.

NOTE: If configured by your administrator, the associated Reason check box on the form will be selected automatically based on the reason you select from this predefined list.

3 Enter comments as needed.

The area below the Reason section displays information about the most recent Loan Estimate disclosed to the borrower that has not been excluded from the timeline in the Disclosure Tracking tool. These fields are populated after a Loan Estimate has been disclosed to the borrower. The fields are read-only and cannot be edited.

• **Last Sent Date** - Date when the Loan Estimate was sent.

• **By** - Encompass user who sent the Loan Estimate.

• **Sent Method** - Method used to send the disclosure.

• **Closing Cost Expiration Date** - The expiration date of the Loan Estimate. Click the **Lock** icon to edit the date.

• **Expiration Time** - The expiration time of the Loan Estimate. Click the **Lock** icon to edit the time.

• **Expiration Time Zone** - The time zone for the Expiration Time.

• **Received Date** - If the most recently disclosed version of the disclosure is the initial Loan Estimate, the LE Received Date from the Disclosure Tracking tool. If the most recently disclosed Loan Estimate is a revised Loan Estimate, the Revised LE Received Date from the Disclosure Tracking tool.

The area below the Intent to Proceed section records the borrower's intent to proceed with the loan and provides information about the Loan Estimate that is being used for the loan. This section is enabled for editing only after a disclosed

Loan Estimate has been received by the borrower (the current date is on or after the LE Received Date on the Disclosure Tracking tool for the most recently disclosed Loan Estimate).

To Complete the Intent to Proceed/Loan Estimate Section:

1 Select the **Intent to Proceed** check box.

2 When the Disclosed LE Snapshot window opens, select a previously disclosed Loan Estimate from the panel at the top of the screen, and then click **OK**.

   • The **Loan Estimate sent on** field is populated with the LE Sent date for the selected Loan Estimate, and the remaining fields in the Intent to Proceed section are populated based on the Disclosure Tracking tool information for the selected Loan Estimate. Changes made to this information on the Loan Estimate form are copied to the Disclosure Tracking tool, and changes made to this information on the Disclosure Tracking tool are copied to the Loan Estimate form.

3 To select another loan estimate, click the **Find** icon (magnifying glass) next to the **Loan Estimate sent on** field.

Lender's Info

The Lender information is populated based on the Lender entry in the File Contacts tool or the Lender information entered in other Encompass forms.

• Click the **Address Book** icon to copy lender information from your Business Contacts.

Loan Details

This section contains information about the borrower and co-borrower; the subject property address, value and sale price; the loan term, purpose, product, and loan type; and rate lock information. Most fields in this section are populated from other Encompass forms.

• In the LE Date Issued field, enter the date when the Loan Estimate disclosure is sent to the borrower, or click the **Calendar** icon to select a date.

• Click the **Lock** icons to edit the associated fields.

Loan Terms

The information in the Loan Terms section is populated from other Encompass forms and varies based on the selections made on the other forms. To edit the fields, select the Customize check box at the top of the section.

Can this amount increase after closing?

- The Loan Amount, Interest Rate, and Monthly Principal & Interest display on the left.

- The **Can this amount increase after closing?** column contains a drop-down lists for each of the entries listed above.

  - If **No** displays in the drop-down list for any of these entries, no additional information displays.

  - If **Yes** displays in the drop-down list, additional details about the increase display to the right of the drop-down list. Use the **Lock** icons or drop-down lists, if available, to manually change details. Click the buttons, if available, to view additional information.

Does this loan have these features?

- This section contains rows for Prepayment Penalty and Balloon Payment.

- The **Does this loan have these features?** column contains a drop-down lists for each of the entries listed above.

  - If **No** displays in the drop-down list for any of these features, no additional information displays.

  - If **Yes** displays in the drop-down list, additional information about the feature displays to the right of the drop-down list. Use the **Lock** icons or drop-down lists, if available, to manually change details. Click the buttons, if available, to view additional information.

Projected Payments

The Projected Payments section shows the estimated payments (monthly or biweekly, depending on the loan type), the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments. Click the **View Payment Schedule** button in the section header to view the payment schedule.

NOTE: The Project Payments table is read-only by default and displays information based on the type of loan. Use the Customize check box and Edit button at the top of the section to customize the Projected Payments section for loan types that require specialized setup for the Projected Payments table.

The top of the section lists the estimated payments (monthly or biweekly, depending on the loan type). A column on the left lists the type of information displayed in each row:

- Time period

- Principal and interest

- Mortgage insurance

- Estimated escrow

- Total estimated monthly or biweekly payment

Up to four columns on the right display payment amounts, including payments for various time periods when the principal and interest payment change, mortgage insurance payments end, or a balloon payment is due. For example:

- A 30-year fixed rate loan displays only one column if monthly payments do not change during the life of the loan and there is no mortgage insurance or balloon payment.
- A 5/3 ARM Interest Only loan may have four columns due to periodic interest rate adjustments and the termination of mortgage insurance payments.

Total Estimated Payment

The Total Estimated Payment label displays as **Total Est. Monthly Payment** or **Total Est. Biweekly Payment**, depending on whether the **Biweekly** option is selected or cleared the Amortization type (field ID 423).

Final Balloon Payment

For balloon loans, the date and the amount of the final balloon payment display in the row labeled **Final Balloon Payment on**.

Estimated Taxes, Insurance & Assessments

The total for the Estimated Taxes, Insurance & Assessments is populated based on information entered in the 2015 Itemization.

The **This estimate includes** check boxes are selected based on the check boxes that are selected on line 1001 on the 2015 Itemization.

The **In escrow?** fields are populated with **YES** or **NO** based on the criteria below:

- **Property Taxes** - Whether the property taxes have been added to the Aggregate Escrow Account Setup tool
- **Homeowner's Insurance** - Whether one or more of the following insurance items have been added to the Aggregate Escrow Account Setup tool:
  - Homeowner's insurance
  - Flood insurance
  - One of the user-defined fees that has the Insurance check box selected in the Fee Details pop-up window on the 2015 Itemization form.
- **Other** - Fees in lines 1007, 1008, and 1009 on the 2015 Itemization form that do not have the Insurance or Taxes check box selected on the Fee Details window on the 2015 Itemization:
  - **YES** - If all are escrowed in the Aggregate Escrow Account form.
  - **NO** - If none are escrowed in the Aggregate Escrow Account form.
  - **YES, SOME** - If some are escrowed in the Aggregate Escrow Account form.

Costs at Closing

This section lists the closing costs based on fees in the various sections of the Loan Estimate Page 2 input form, including Loan Costs, Other Costs, Lender Credits, Total Closing Costs, and Total Cash to Close. Details about the Total Closing Costs and Total Cash to Close are available on the Loan Estimate Page 2.

When the alternate version of the Calculating Cash to Close section is being used on the Loan Estimate Page, this sections displays an additional text box at the end of the Total Estimated Cash to Close line that indicates whether the amount is paid **To Borrower** or **From Borrower**.

Loan Estimate Page 2

Use the Loan Estimate Page 2 to review loan costs paid by the borrower, seller, and others at and before closing. Information on this form is populated from the 2015 Itemization form. The fees are grouped into two columns: Loan Costs and Other Costs. This form is used to populate page 2 of the Loan Estimate output form.

Loan Costs

The Loan Costs sections displays an itemized list of fees from the 2015 Itemization associated with loan costs:

- Section A - Origination charges
- Section B - Fees for services that the borrower cannot shop for
- Section C - Fees for services that the borrower can shop for

- Section D - Total loan costs from sections A, B, and C

Sections A, B, and C
In these sections, each fee displays on a separate row that provides a description of the fee and the amount, based on the fee entry on the 2015 Itemization. Subtotals for each section display in the header. In sections A and B, the final entry contains a combined entry for multiple fees when there is no room to list all the fees individually. When section C contains a combined entry in line 14, select the **Itemize services that exceed line 14** check box to itemize the individual line items for line 14 on the Addendum to the Loan Estimate output form.

Section D - Total Loan Costs (Borrower-Paid)

Section D has a read-only field that displays the total borrower-paid fees for sections A, B, and C.

Other Costs

The Other Costs sections displays an itemized list of fees from the 2015 Itemization that are not associated with loan costs:

- Section E - Taxes and other government fees
- Section F - Prepaid fees
- Section G - Initial escrow payments at closing
- Section H - Other fees or services not associated with the loan costs and not included in sections E, F, or G
- Section I - Total loan costs from sections E, F, G, and H

Sections E, F, G, and H
In these sections, each fee displays on a different row that provides a description of the fee and the amount, based on the fee entry on the 2015 Itemization. Some fees also list the monthly amount and the number of months the amount is paid. Subtotals for each section display in the header. Depending on how many fees are entered in each section, the final line might contain a combined entry for multiple fees.

Section I - TOTAL OTHER COSTS
Section I displays the total fees for charges that are not associated with loan costs (the combined total for sections E, F, G, and H).

Section J - TOTAL CLOSING COSTS
Section J displays the total closing costs (combined loan costs and other costs), including the closing costs subtotals (from sections D+I) and the fees that are recorded as lender credits on the 2015 Itemization.

Calculating Cash to Close
The Calculating Cash to Close section displays the estimated cash-to-close items disclosed to the borrower on the Loan Estimate. The standard version of this section, which is used when a loan has a seller, displays when the **Use Alternate** check box is cleared. An alternate version of the Calculating Cash to Close section displays when the **Use Alternate** check box is selected. The alternate version is used with loans that do not have a seller.

Standard Version

The standard Calculating Cash to Close section displays the amounts for the following cash-to-close items:

- Total Closing Costs (J)
- Closing Cost Financed
- Down Payment/Funds from Borrower
- Deposit
- Funds for Borrower
- Seller Credits
- Adjustments and Other Credits - Click the **Lock** icon to edit the amount. Click the **Edit** icon to open a Quick Entry window to review or edit individual adjustment and credit amounts.
- Estimated Cash To Close

Alternate Version

The alternate Calculating Cash to Close section displays the amounts for the following cash-to-close items:

- Loan Amount
- Total Closing Costs (J)
- Estimated Total Payoffs and Payments - Click the **Lock** icon to edit the amount.
- Estimated Cash To Close (From Borrower or To Borrower)
- Estimated Closing Costs Financed

Adjustable Payment (AP) and Adjustable Interest Rate (AIR) Tables

The Adjustable Payment (AP) Table is disclosed when the periodic principal and interest payment for the loan can change after consummation, but not as a result of a change to the interest rate. The Adjustable Interest Rate (AIR) Table is disclosed when the loan's interest rate can change after consummation.

AP Table

The AP Table is disclosed when the periodic principal and interest payment for the loan can change after consummation, but not as a result of a change to the interest rate; or if the loan is a seasonal payment loan. If the periodic principal and interest payment does not change, the AP Table is not disclosed. The information disclosed in the AP Table on the Loan Estimate is disclosed in the AP Table on Closing Disclosure - Page 4 after being updated to reflect the terms of the loan at consummation.

The Adjustable Payment table includes the following entries:

- **Interest Only Payments** - Read-only fields populated based on data from the loan file.
- **Optional Payments** - Read-only fields populated based on data from the loan file.
- **Step Payments** - Editable fields to indicate whether the loan has step payments (the default selection is **No**) and to enter the number of payments that are made before the payment amount changes.
- **Seasonal Payments** - Editable fields to indicate whether the loan has seasonal payments (the default selection is **No**) and to enter a description.
- **Monthly Principal and Interest Payments**

  *NOTE: If the **Biweekly** option (field ID 423) is selected for the Amortization type, the title of this section changes from Monthly Principal and Interest Payments to Biweekly Principal and Interest Payments.*

  - If the **Yes** option is selected for Interest Only Payments, the three fields in this section are populated with read-only text describing the changes and maximum payment amount for the principal and interest payments, based on data in the loan.
  - If the **Yes** option is selected for Optional Payments, Step Payments, or Seasonal Payments, the three fields in this section are blank and can be edited.

AIR Table

The AIR Table is disclosed when the loan's interest rate can change after consumption. The AIR table displays on the input form when the ARM option is selected for the Amortization Type (field ID 608). If the ARM option is not selected: the loan's interest rate does not change after consummation, the AIR Table is not disclosed, and the table does not display on the input form.

The AIR table includes the following entries:

- **Index + Margin** - The margin index and rate.

- **Initial Interest Rate** -The initial interest rate for the loan.

- **Min/Max Interest Rate** - The minimum and maximum interests rates during the life of the loan. Click the **Lock** icon to edit the minimum rate.

- **Change Frequency** - This sections display the timing of the first interest rate adjustment and the number of months between each subsequent adjustment.

- **Limits on Interest Rate Changes** - The maximum interest rate change for the initial increase and subsequent increases.

Loan Estimate Page 3

Use the Loan Estimate Page 3 to review and edit contact information for the lender and mortgage broker, review comparisons of the APR and the borrower's principal and interest payments for the first five years of the loan, and review other considerations that will be disclosed to the borrower. This form is used to populate page 3 of the Loan Estimate output form.

Lender Info and Mortgage Broker Info

This section displays contact information for the lender and mortgage broker. This information may already be populated from the File Contacts tool or other Encompass forms.

To Add or Change Lender Contact Information:

1 Click the **Address Book** icon, select a Lender, and then click **Select**.

2 Click a **Lock** icon to edit a locked field.

To Add or Change Mortgage Broker Contact Information:

1 Click the **Search** icon (magnifying glass).

2 Click the **Search** icon next to the Company field, select a company, and then click **Select**.

3 Click the **Search** icon next to the Branch field (if applicable), select a company, and then click **Select**.

4 Select a Loan Officer from the list.

5 Click a **Lock** icon to edit a locked field.

Comparisons

The Comparisons section enables the borrower to view the annual percentage rate (APR), information related to the cost of the loan over the first five years of the loan, and the interest payments over the life of the loan expressed as a percentage of the loan amount.

- Click the **Lock** icon to edit the APR percentage.

Other Considerations

Use the Loan Disclosures section to disclose appraisal, assumption, homeowner's insurance, late payment, servicing, and construction loan information. Some information is already populated from other Encompass forms.

- For Homeowner's Insurance, select the **Omit from print** option to remove the disclosure text regarding homeowner's insurance from the Loan estimate output form.

- For Appraisal, select the **Omit from print** option to not include the disclosure text regarding the appraisal. Select the **Use Section 35** option for a higher priced mortgage loan (HPML) to insert the appropriate appraisal text for these loans into the Loan Estimate output form. When the **Use Section 35** check box is selected, the word "promptly" will be removed from the second sentence in the description: "We will promptly give you a copy of any appraisal, even if your loan does not close."

- Click the **Get Late Fee** button (if this has not already been done on other forms) to automatically populate late fees based on state and agency requirements for the subject property location. The button triggers calculations that produce generic late fees or investor-driven overrides to late fees based on investor plan IDs and custom plan IDs associated with the user's Ellie Mae Plan ID.

- The fields in this section can be populated using a Data Template.

Loan Estimate Fields Requiring Manual Entry

While many of the fields on the Loan Estimate are automatically populated based on data entered on the 2015 Itemization input form, there are some key fields where data must be entered manually.

- **LE Date Issued** (field ID LE1.X1) **-** Enter the date the LE was initially disclosed to the Borrower. If the LE is then redisclosed, return to this field end enter the redisclosure date. If this field is blank and the LE is printed, Encompass will automatically populate the current date here before printing starts.

- **Lender License State** (field ID LE3.X20) & **Loan Officer License State** (field ID LE3.X21) - Enter the state where the lender is licensed to fund loans and enter the state where the loan officer is licensed to originate loans. The state entered in these fields should correspond to the state in which the subject property is located.

- **Mortgage Broker License State** (field ID LE3.X22) & **Broker LO License State** (field ID LE3.X23) - Enter the state where the mortgage broker is licensed to broker loans and enter the state where the loan officer is licensed to originate loans. The state entered in these fields should correspond to the state in which the subject property is located.

- **Signature Type (field ID LE3.X19)** - At the bottom of the LE Page 3, select the signature type from the drop-down list. By default, **As Applicant** is selected for this field.

- **Construction Loan Settlement** (field ID LE3.X15) - Near the bottom of the LE Page 3, select this check box if the loan type is a Construction loan and the Settlement Statement will be sent to borrower more than 60 days after the initial disclosure.

- **Other Considerations -** Assumption (field ID LE3.X12) - Select the appropriate check box to indicate whether an individual purchasing the subject property in the future may assume the remainder of the loan on the original terms. (Currently this field is not populated based on the selection made in the *Assumption* drop-down field (field ID 677), but you can set up a Field Triggers business rule to automatically populate field LE3.X12 based on the selection in field 677.)

- **Homeowner's Insurance - Omit from Print** (field ID LE3.X13) - Select this check box to remove the disclosure text regarding homeowner's insurance from the Loan Estimate output form.

- **Other Considerations - Appraisal** (field ID LE3.X11) - Select a check box to select the **Omit from print** option to remove the disclosure text regarding the appraisal or select the **Use Section 35** option for a higher priced mortgage loan (HPML) to insert the appropriate appraisal text for the loan into the Loan Estimate output form.
  When the Use Section 35 check box is selected, the word "promptly" will be removed from the second sentence in the description: *"We will promptly give you a copy of any appraisal, even if your loan does not close."*

Completing the Loan Estimate Input Pages

The Loan Estimate input forms (pages 1-3) enable you to review, edit, or enter information that is populated to the Loan Estimate output form that is provided to the borrower no later than the third business day after the loan application is received. When working with the LE, here are common tasks you should perform:

Loan Estimate Page 1

- Enter or select the **LE Date Issued** in the Loan Details section.

- Review the disclosure information, including lender information, loan details, loan terms, the projected calculation for estimated payments (including estimated monthly taxes, insurance, assessments, and a balloon payment, if applicable), and the costs at closing.

Loan Estimate Page 2

- Review loan costs paid by the borrower, seller, and others at and before closing.

- Information on this form is populated from the 2015 Itemization form. The fees are grouped into two columns: Loan Costs and Other Costs.

- Manually enter adjustments and other items, for example, gift funds, as needed.

Loan Estimate Page 3

- Review and edit contact information for the lender and mortgage broker.
- Review comparisons of the APR and the borrower's principal and interest payments for the first five years of the loan.
- Review other considerations that will be disclosed to the borrower.

In the Other Considerations section, click the Get Late Fee button (if this has not already been done in other forms), and select the options to be used in the disclosures.

Closing Disclosure Input Form

The Closing Disclosure input forms (pages 1-5) enable you to review, edit, or enter information that is populated to the Closing Disclosure output form that will be provided to the borrower at least three business days prior to consumption. Each of the five Closing Disclosure input forms corresponds to one of the five pages in the output form.

Closing Disclosure Page 1

Use the Closing Disclosure Page 1 to review and edit closing, loan, and transaction information, loan terms, projected payments (for estimated payments, the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments), and costs at closing. Much of the information on the Closing Disclosure Page 1 input form is populated from other Encompass forms. This form is used to populate page 1 of the Closing Disclosure output form.

Disclosure Information

The Disclosure Information section displays information about the most recent Closing Disclosure, the reason and changed circumstance for any redisclosure, and information about the most recently disclosed Closing Disclosure that has not been excluded from the Disclosure Tracking timeline.

Fee Level Disclosures

The Fee Level Disclosures check box (field ID 4461) is provided above the list of changed circumstance reasons on the Loan Estimate (LE) Page 1 and Closing Disclosure (CD) Page 1 input forms. By default, this check box is NOT selected, which indicates that loans will be disclosed at a disclosure level. When this check box IS selected, fees must be redisclosed at the fee level (i.e., users must send revised disclosures when a fee is changed). You can document disclosure reasons with and without a changed circumstance when doing a fee level disclosure. Certain informational disclosure reasons on the CD Page 1 are available to select and enter details about, and they will be reflected in the Disclosure Tracking tool as applicable. This enables fee changes to continue to be documented at the fee level with the added benefit of permitting disclosure reasons to be identified at the disclosure level.

The following changed circumstance fields and reasons on the CD Page 1 are now always enabled so they can be selected to indicate a changed circumstance reason:

- Changed Circumstance (field ID CD1.X61)
- Changes Received Date (if Changed Circumstance field is selected) (field ID CD1.X62)
- Changed Circumstance text box and Lookup (magnifying glass) icon (if Changed Circumstance field is selected) (field ID CD1.X64)
- Comments box (if Changed Circumstance field is selected) (field ID CD1.X65)

Reasons:

- Change in APR (field ID CD1.X52)
- Change in Loan Product (field ID CD1.X53)
- Prepayment Penalty Added (field ID CD1.X54)
- 24-hour Advanced Preview (field ID CD1.X56)
- Tolerance Cure (field ID CD1.X57)
- Clerical Error Correction (field ID CD1.X58)
- Other (field ID LE1.X84 and CD1.X59)

You can also open the Good Faith Fee Variance Violated alert and enter information in the alert that will then be populated to these fields as applicable.

Note that administrators use the Changed Circumstances section of the Disclosure Tracking Settings screen to control if this check box is selected or not. If the administrator configures this check box to be selected, users will not be permitted to change it.

It is important to consider that the disclosure level that is set with the Fee Level Disclosures check box is established once the initial disclosure (typically the LE) is sent. Once this initial disclosure has been sent, you cannot change the Fee Level Disclosures check box. Once you have disclosed at a fee level, you must continue to redisclose at a fee level for the remainder of the loan's lifecycle (and vice versa if you have initially disclosed at a disclosure level). The Fee Level Disclosures check box will no longer be editable (i.e., it will be grayed out) once the loan is disclosed. For loans started in earlier versions of Encompass before this check box was available, the check box will not be selected.

Change of Circumstance Reasons

The Reason section enables a user to select the reason for a redisclosing a Closing Disclosure. The check boxes in this section can be selected only after an initial Closing Disclosure has been disclosed to the borrower.

To Indicate the Reason for a Redisclosure:

• Select one or more reasons to indicate why the redisclosure is being made.

• If you select the **Other** option, enter a description in the text box.

The Changed Circumstance section enables users to enter or edit details about a changed circumstance that results in a redisclosed Closing Disclosure.

To Indicate a Changed Circumstance:

1 Select the **Changed Circumstance** check box.

   • The Changes Received Date is populated automatically. To change the date, type a new date or click the **Calendar** icon to select a date.

2 Click the **Lookup** icon to the right of the Changed Circumstance field to select a reason for the changed circumstance from a predefined list.

   NOTE: If configured by your administrator, the associated Reason check box on the form will be selected automatically based on the reason you select from this predefined list.

3 Enter comments as needed.

Closing Information

The Closing Information section includes important dates related to closing, the settlement agent, and file number for the settlement agent, and the address, estimated and appraised values, and sale price for the subject property. With the exception of the Settlement Agent, all fields in this section can be edited.

To Complete the Closing Information Section:

1 If not already populated, type the CD Date Issued, Closing Date, and Disbursement Date, or use the **Calendar** icons to select the dates.

2 The name of the Settlement Agent is populated from the File Contacts tool.

3 Enter the File# for the settlement agent.

4 The subject property address, estimated and appraised values, and sale price are populated from other forms.

Loan Information

The Loan Information section contains loan details populated from other forms. All fields in this section can be edited.

- If not already populated, enter the Mortgage Investor Corporation (MIC) number for the loan.

- If needed, click the **Lock** icon to select a different loan Purpose or to enter a new Product description.

Transaction Information

The Transaction Information is populated with the name and address of the borrower, co-borrower, seller, and lender. With the exception of the seller's name, all fields in this section can be edited.

Loan Terms

The information in the Loan Terms section is populated from other Encompass forms and cannot be edited. The information that displays in this section varies based on the selections made on other forms. To edit the fields, select the Customize check box at the top of the section.

Can this amount increase after closing?

- The Loan Amount, Interest Rate, and Monthly Principal & Interest display on the left.

- The **Can this amount increase after closing?** column contains a drop-down lists for each of the entries listed above.

  - If **No** displays in the drop-down list for any of these entries, no additional information displays.

  - If **Yes** displays in the drop-down list, additional details about the increase displays to the right of the drop-down list. Use the **Lock** icons or drop-down lists, if available, to manually change details. Click the buttons, if available, to view additional information.

Does this loan have these features?

- This section contains rows for Prepayment Penalty and Balloon Payment.

- The **Does this loan have these features?** column contains a drop-down lists for each of the entries listed above.

  - If **No** displays in the drop-down list for any of these features, no additional information displays.

  - If **Yes** displays in the drop-down list, additional information about the feature displays to the right of the drop-down list. Use the **Lock** icons or drop-down lists, if available, to manually change details. Click the buttons, if available, to view additional information.

Projected Payments

The Projected Payments section shows the estimated payments, the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments.

The section at the top of the Projected Payments section lists the estimated payments (monthly or biweekly, depending on the loan type). A column on the left lists the type of information displayed in each row, including the time period, principal and interest, mortgage insurance, estimated escrow, and the total estimated monthly or biweekly payment. Up to four columns on the right display payment amounts, including payments for various time periods when the principal and interest payment change, mortgage insurance payments end, or a balloon payment is due. For example:

- A 30-year fixed rate loan displays only one column if monthly payments do not change during the life of the loan and there is no mortgage insurance or balloon payment.

- A 5/3 ARM Interest Only loan may have four columns due to periodic interest rate adjustments and the termination of mortgage insurance payments.

All adjustable rate (ARM) loans will generate a four column Projected Payments table based on the following loan triggers:

Balloon loans

The final balloon payment is populated to the fourth column in the table, i.e., the Final Payment column. This is existing logic continued from earlier versions of Encompass.

Interest Rate Changes

- If the Max Lifetime Rate is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.

- If the Min (Floor Rate) is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.

Periodic Principal and Interest Payment Changes

Four column Projected Payments table is generated when the following events occur:

- Interest Only payment period ends

- Negative amortization period ends

- The anniversary of the initial periodic payment changes after multiple payment changes occur in a single year

Mortgage Insurance

If automatic termination of mortgage insurance occurs in any of the above scenarios, a four column Projected Payments will be generated if the current table contains only three columns. Otherwise, the automatic termination of mortgage insurance on its own will not trigger a fourth column.

*NOTE: The Apply Actual Payment Change check box is provided at the top of the Projected Payments table for ARM loans only. Select this check box to revert to the previous Projected Payments table trigger logic used in Encompass 15.2.0.0 (and earlier) and apply the actual payment change. This check box is hidden if the Projected Payments table's **Customize** check box is selected.*

Total Estimated Payment

The Total Estimated Payment label displays as **Total Est. Monthly Payment** or **Total Est. Biweekly Payment**, depending on whether the **Biweekly** option is selected or cleared for the Amortization type (field ID 423).

Final Balloon Payment

For balloon loans, the date and the amount of the final balloon payment display in the row labeled **Final Balloon Payment on**.

Estimated Taxes, Insurance, & Assessments

The total for the Estimated Taxes, Insurance, & Assessments is populated based on information entered in the 2015 Itemization.

The **This estimate includes** check boxes are selected based on the check boxes that are selected on line 1001 on the 2015 Itemization.

The **In escrow?** fields are populated with **YES** or **NO** based on the criteria below:

- **Property Taxes** - Whether the property taxes have been added to the Aggregate Escrow Account Setup tool
- **Homeowner's Insurance** - Whether one or more of the following insurance items have been added to the Aggregate Escrow Account Setup tool:
  - Homeowner's insurance
  - Flood insurance
  - One of the user defined fees that has the **Insurance** check box selected in the Fee Details pop-up window on the 2015 Itemization form.
- **Other**- Fees in lines 1007, 1008, and 1009 on the 2015 Itemization form that do not have the **Insurance** or **Taxes** check box selected on the Fee Details window on the 2015 Itemization:
  - **YES** - If all are escrowed in the Aggregate Escrow Account form.
  - **NO** - If none are escrowed in the Aggregate Escrow Account form.
  - **YES, SOME** - If some are escrowed in the Aggregate Escrow Account form.

Costs at Closing

This section lists the closing costs, including Loan Costs, Other Costs, Lender Credits, Total Closing Costs, and Total Cash to Close. Details for the total closing costs and total cash to close are available on the Closing Disclosure Page 2 and Closing Disclosure Page 3 input forms.

For refinance loans, this sections displays a different set of closing costs, including the Loan Amount, Total Closing Costs, Estimated Total Payoffs and Payments, Estimated Cash to Close from/to Borrower, and Estimated Closing Costs Financed.

Closing Disclosure Page 2

Use the Closing Disclosure Page 2 to review loan costs paid by the borrower, seller, and others at and before closing. Information on this form is populated from the 2015 Itemization form and cannot be edited. The fees are grouped into Loan Costs and Other Costs. This form is used to populate page 2 of the Closing Disclosure output form.

Loan Costs

The Loan Costs sections displays an itemized list of fees from the 2015 Itemization associated with loan costs.

- Section A -Origination charges.
- Section B - Fees for services that the borrower did not shop for.
- Section C - Fees for services that the borrower did shop for.
- Section D - Total loan costs from sections A, B, and C.

Sections A, B, and C

In these sections, each fee displays on a separate row that provides a description of the fee and the following columns for recording the fee amount, based on how the fee is recorded on the Fee Details pop-up window on the 2015 Itemization:

- **To** - The recipient of the fee.
- **Borrower-Paid At Closing** - The portion of a borrower-paid fee that is recorded as PAC.
- **Borrower-Paid Before Closing** - The portion of a borrower-paid fee that is recorded as POC.
- **Seller-Paid At Closing** - The portion of a seller-paid fee that is recorded as PAC.
- **Seller-Paid Before Closin**g - The portion of a Seller fee that is recorded as POC.
- **Paid by Others** - The sum of all fee amounts paid by Broker, Lender, or Other that are recorded as PAC or POC. The amount is preceded by (L) when it is paid entirely by the Lender.

Click the **Show More Lines** link at the bottom of each section to display additional fees at the bottom of the list.

The total borrower-paid fees (including both At Closing and Before Closing fees) are listed in the Totals field below the Borrower-Paid columns at the bottom of each section.

Section D - Total Loan Costs (Borrower-Paid)

Section D displays the total borrower-paid fees for sections A, B, and C, including:

- The total borrower-paid fees for each of the preceding three sections (Section A, Section B, and Section C).
- The combined Total Borrower Paid Fees for all three sections. This amount displays in the Total Borrower Paid field and in the header area for this section.
- The Total Borrower Paid Fees divided into fees that are paid At Closing and Before Closing.

D. TOTAL LOAN COSTS (Borrower-Paid)	Borrower-Paid	At Closing	Before Closing
Section Total A	7,175.00		
Section Total B	1,900.00		
Section Total C	0.00		
Total Borrower Paid:	9,075.00	9,075.00	0.00

Other Costs

The Other Costs sections displays an itemized list of fees from the 2015 Itemization that are not associated with loan costs.

Other Costs							
E.Taxes and Other Government Fees							
			Borrower-Paid		Seller-Paid		Paid by Others
			At Closing	Before Closing	At Closing	Before Closing	
01	Recording Fees Deed:	Mortgage:	25.00				
02	Transfer Taxes $ 50.00	To	50.00				
Show More Lines			Total:	75.00			

- Section E - Taxes and other government fees. The Recording Fees entered on lines 1202, 1206, 1207, and 1208 in the 1200. Government Recording and Transfer Charges section of the 2015 Itemization are aggregated and populated to line E01.
- Section F - Prepaid fees.
- Section G - Initial escrow payments at closing.
- Section H - Other fees or services not associated with the loan costs and not included in sections E, F, or G.
- Section I - Total loan costs from sections E, F, G, and H.

Sections E, F, G, and H

In these sections, each fee displays on a different row that provides a description of the fee and the following columns for recording the fee amount, based on how the fee is recorded on the Fee Details pop-up window on the 2015 Itemization:

- **Borrower-Paid At Closing** - The portion of a borrower-paid fee that is recorded as PTC.
- **Borrower-Paid Before Closing** - The portion of a borrower-paid fee that is recorded as POC.
- **Seller-Paid At Closing** - The portion of a seller-paid fee that is recorded as PTC.
- **Seller-Paid Before Closing** - The portion of a Seller fee that is recorded as POC.
- **Paid by Others** - The sum of all fee amounts paid by Broker, Lender, or Other that are recorded as PTC or POC. The amount is preceded by **(L)** when it is paid entirely by the Lender.

NOTE: *The Recording Fees entered on lines 1202, 1206, 1207, and 1208 in the 1200. Government Recording and Transfer Charges section of the 2015 Itemization are aggregated and populated to line 01 in Section E, but are not itemized like the fees in sections F, G, and H are.*

Click the **Show More Lines** link at the bottom of each section to display additional fees at the bottom of the list.

The total borrower-paid fees (including both At Closing and Before Closing fees) are listed in the Totals field below the Borrower-Paid columns at the bottom of each section.

Additionally:

- Sections E (except for line 01), F, and H include **To** fields to record the recipient of the fee.
- Section F includes **To** fields, and fields for the number of months and the monthly amounts on all lines except Prepaid Interest.
- Section G includes fields for the monthly amount and number of months on all lines except Aggregate Adjustment.

Section I - TOTAL OTHER COSTS (Borrower-Paid)

Section I displays the total borrower-paid fees for charges that are not associated with loan costs, including:

- The total borrower-paid fees for each of the preceding four sections (Section E, Section F, Section G, and Section H).
- The combined total borrower-paid fees for all four sections. This amount displays in the Total Borrower Paid field and in the header area for this section.

- The Total Borrower Paid Fees divided into fees that are paid At Closing and Before Closing.

Section J - TOTAL CLOSING COSTS (Borrower-Paid)

Section J displays the total closing costs (combined loan costs and other costs) broken down by borrower-paid fees, seller-paid fees, and fees that are paid by others.

J. TOTAL CLOSING COSTS (Borrower-Paid)	Borrower-Paid		Seller-Paid		Paid by Others
	At Closing	Before Closing	At Closing	Before Closing	
Closing Costs Subtotals(D+I)	11,750.00	0.00	0.00	0.00	0.00
Lender Credits −		800.00			
Total Borrower Paid:		10,950.00			

- The Closing Costs Subtotals (D+I) row displays the combined total of fees from the Total Loan Costs (Section D) and Total Other Costs (Section I) above. Borrower-Paid and Seller-Paid fees are broken down into At Closing and Before Closing amounts. Fees paid by someone other than the borrower or seller are listed in the Paid by Others column.

- The Lender Credits field displays borrower paid fees that are recorded as lender credits. This amount is calculated based on the following three types of fees and payments recorded in Encompass:
  - Fees applied to the origination charge.
  - Fees with the **Lender Credit** option selected from line I entries in the Details of Transaction on the 2015 Itemization.
  - Amounts applied to cure a tolerance.

- The Total Borrower Paid field displays the combined borrower-paid Closing Costs Subtotals (D+I) minus the Lender Credits. This amount also displays in the header area for this section.

Closing Disclosure Page 3

Use the Closing Disclosure Page 3 to review the Calculating Cash to Close and Summaries of Transaction information that will be populated on the Closing Disclosure output form. This form is used to populate page 3 of the Closing Disclosure output form.

NOTE: For mortgage transactions without a seller, an alternate version of the Closing Disclosure Page 3 is used. The alternate version includes a different Calculating Cash to Close section and a Payoffs and Payments section instead of a Summaries of Transactions section used on the standard version. For detailed information, refer to the Alternate Version section on page 123.

Standard Version

The standard version of the Closing Disclosure Page 3 is disclosed for transactions with a seller. The standard version is enabled when the **Use Alternate** check box is cleared in the Calculating Cash to Close section on the Loan Estimate - Page 2 input form.

Calculating Cash to Close

The Calculating Cash to Close section in the standard version of the Closing Disclosure Page 3 compares amounts for the cash-to-close items disclosed to the borrower on the Loan Estimate and the Closing Disclosure.

Calculating Cash to Close	Loan Estimate	Final	Did this Change?	Remarks
Total Closing Costs (J)		46,050.05	YES	• See [ ] ▾
				• Increase exceeds legal limits by $ [ ]
				See Lender Credits on p.2 for credit of excess amount.
Closing Cost Paid Before Closing −			NO	
Closing Costs Financed −			NO	
Down Payment/Funds from Borrower		40,000.00	YES	• You [▾] this payment. See details in section [▾]
Deposit −			NO	
Funds for Borrower −		0.00	NO	
Seller Credits −			NO	
Adjustments and Other Credits −			NO	
Cash to Close		86,050.05		

A description of the following cash-to-close items displays on the left:

- Total Closing Costs (J) - Select an option form the list
- Closing Cost Paid Before Closing
- Closing Cost Financed (Paid from your Loan Amount)
- Down Payment/Funds from Borrower
- Deposit
- Funds for Borrower
- Seller Credits
- Adjustments and Other Credits
- Cash To Close

Additional information about the cash-to-close items displays in the following columns to the right of each description:

- **Loan Estimate** - The amount of each cash-to-close item as shown on the most recently disclosed Loan Estimate. The fields in this column are populated from the Calculating Cash to Close table on the Loan Estimate - Page 2. The Closing Costs Paid Before Closing amount is always **0**, because the closing costs paid before closing are not disclosed on the Loan Estimate.

- **Final** - The amount of each cash-to-close item as it will be disclosed on the Closing Disclosure. The fields in this column are populated from current closing disclosure data on other Encompass forms, primarily the 2015 Itemization and the Closing Disclosure - Page 2.
- **Did this change?** - A **Yes** or **No** entry indicating whether the amount for the item as disclosed on the Loan Estimate differs from the amount disclosed on the Closing Disclosure.
- **Remarks** - If **Yes** is populated in the **Did this change?** column, additional information displays in the Remarks column on the right. Some of these informational entries include amount fields, drop-down lists that you can edit, and references to details in other sections or on other forms.

To Edit the Calculating Cash to Close Amounts:

1 Click the **Lock** icon next to the to Adjustments and Other Credits field in the final column.

2 Type a new amount in the field.

3 To edit individual adjustments and credits fees, click the **Edit** icon to open the Adjustments and Other Credits Details pop-up window. A pop-up window opens with two tabs:
   - A **Non-UCD** tab with fields for descriptions and amounts for up to ten entries.
   - A **UCD** tab that enable entry of detailed fee information when submitting UCD export XML files to Fannie Mae and Freddie Mac. For detailed information about entering the detailed fees, refer to the Encompass Online help.

4 Edit, delete, or add entries as needed, and then click **Close**.

To Enter Detailed Adjustments and Credits:

- Click the **Edit** icon next to the amount to open the **Adjustments and Other Details** pop-up window. For detailed information about entering adjustments and credits, refer to the *Closing Disclosure Page 3 Adjustments and Credits* topic in the Encompass online help.

Summaries of Transactions

The Summaries of Transactions in the standard version of the Closing Disclosure Page 3 is used to disclose the amounts due from and already paid by the borrower at closing, and the amounts due to and due from the seller at closing. Complete the Summary of Transactions sections for the borrower and seller. In the section

header, click the **Edit** icon to enter detailed fee information when submitting UCD export XML files to Fannie Mae and Freddie Mac. For detailed information about entering these fees, refer to the Encompass online help.

Borrower's Transactions

K. Due from Borrower at Closing

The amounts used to calculate the total amount due from the borrower to close the loan, including additional adjustments and adjustments for items paid by the seller in advance that the borrower will pay. The sub-total due from the borrower displays in the header for this section.

L. Paid Already by or on Behalf of Borrower at Closing

The amounts paid by the borrower, including credits, adjustments, and reductions for items unpaid by the seller that the borrower will pay.

Calculation

The total cash due from (or to) the borrower, calculated by subtracting the total already paid by the borrower (section L above) from the total due from the borrower at closing (section K above).

Seller's Transactions

M. Due to Seller at Closing

The gross amount due to the seller at the close of the loan, including additions for items paid by the seller that will be reimbursed.

N. Due from Seller at Closing

Reductions in the amount due to the seller, including payoff of loans and unpaid items that the seller will pay.

Calculation

The total cash due to (or from) the seller, calculated by subtracting the total due from the seller (section N above) from the total due to the seller at closing (section M above).

NOTE: To generate a seller-only version of the Closing Disclosure, select the Omit from Print check box at the top of the Seller's Transactions section. Selecting this option generates an additional print version of the Closing Disclosure with the Seller's Transaction information omitted from the Closing Disclosure Page 3 output form. If enabled by your administrator, an electronic version of a seller-only Closing Disclosure will also be available.

To Edit Liabilities:

• Click the **Show All (VOL)** button to open the Quick Entry - VOL pop-up window and edit liabilities as needed.

To View and Edit Payoff Entries:

1 Click the **Payoffs & Payments** button to open the Payoffs and Payments pop-up window. The pop-up has two sections:

   • **Disbursement to Others** - This section lists the liabilities with balances, including a check box to indicate whether the liability is Paid Off, and columns for the Creditor Name, Description of Purpose, Balance, and Payoff Amount.

   • **Calculating Cash to Close** - This sections displays the information from the Calculating Cash to Close section on the Closing Disclosure - Page 3.

2 In the Disbursement to Others section, select a **Paid Off** check box to mark the disbursement as paid.

3 Click an entry in the Description of Purpose column to edit the description for a disbursement. By default, the purpose is populated from the Purpose field for the VOL entry on the VOL input form.

4 The following data is updated as the **Paid Off** check boxes are selected or cleared:

   • The Total Payoffs and Payments field at the bottom of the Disbursement to Others section displays the total amount for all disbursements that have the **Paid Off** check box selected.

   • The Calculating Cash to Close section is updated based on the selections in the **Paid Off** check boxes.

To Enter Detailed Adjustments and Credits:

• Click the **Edit** icon at the top of the Seller's Transaction column to open the **Adjustments and Other Details** pop-up window. For detailed information about entering adjustments and credits, refer to the *Closing Disclosure Page 3 Adjustments and Credits* topic in the Encompass online help.

Payoff and Payments

The Payoffs and Payments section in the standard version of the Closing Disclosure Page 3 displays up to 15 liabilities that have been paid off by the borrower. Each entry includes an entry in the To column that lists the payee and a description of the purpose, and an entry in the Amount column that lists the amount of the paid-off liability. At the bottom of this section, the total of all entries displays in line **K. Total Payoffs and Payments**.

To Edit Liabilities:

• Click the **Show All (VOL)** button to open the Quick Entry - VOL pop-up window and edit liabilities as needed.

To View and Edit Payoff Entries.

1 Click the **Edit Payoffs and Payments** button to open the Payoffs and Payments pop-up window. The pop-up has two sections:

   • **Disbursement to Others** - This section lists the liabilities with balances, including a check box to indicate whether the liability is Paid Off, and columns for the Creditor Name, Description of Purpose, Balance, and Payoff Amount.

   • **Calculating Cash to Close** - This sections displays the information from the Calculating Cash to Close section on the Closing Disclosure - Page 3.

2 In the Disbursement to Others section, select a **Paid Off** check box to mark the disbursement as paid.

3 Select the **Include** check box to include the paid off amount for that borrower pair in the Total Payoffs and Payments (K) field. To exclude the paid off amount for a borrower pair, clear the check box.

4 Click an entry in the UCD Payoff Type column to select a different payoff type from the list. By default, the UCD Payoff Type is populated from the Account Type field for the VOL entry on the VOL input form.

5 The following data is updated as you select or clear the **Paid Off** check boxes

• The Total Payoffs and Payments field at the bottom of the Disbursement to Others section displays the total amount for all disbursements that have the **Paid Off** check box selected.

• The Calculating Cash to Close section is updated based on the selections in the **Paid Off** check boxes.

To Add a Non-Cure, Non-VOL Principal Reduction:

1 Click the **Payoffs & Payments** button to open the Payoffs and Payments pop-up window.

2 Click the **Add** icon on the upper-right.

3 On the Add Other Adjustment window, enter an Adjustment Amount and select a **Paid By** option from the list.

4 Select the appropriate check box on the lower-left to indicate whether the reduction is a **Credit** or **POC (Paid Outside Closing)**.

To Enter Detailed Adjustments and Credits:

• Click the **Edit** icon at the top of the Seller's Transaction column to open the **Adjustments and Other Details** pop-up window. For detailed information about entering adjustments and credits, refer to the *Closing Disclosure Page 3 Adjustments and Credits* topic in the Encompass online help.

Alternate Version

An alternate version of the Closing Disclosure Page 3 is disclosed for transactions without a seller (refinance loans). The alternate version is enabled when the **Use Alternate** check box is selected in the Calculating Cash to Close section on the Loan Estimate - Page 2 input form.

Under 2015 RESPA-TILA regulations, an alternate set of data is required in the cash to close disclosure information that displays on the Loan Estimate Page 1 and the Closing Disclosure Page 3 for loans without a seller.

To Enable the Alternate Disclosure Information:

• On the Loan Estimate Page 2 input form, select the **Use Alternate** check box in the Calculating Cash to Close section to enable the following changes:

• Loan Estimate Page 2 - A different set of fields and amounts displays in the Calculating Cash to Close section.

• Closing Disclosure Page 3 - A different set of fields and amounts display in the Calculating Cash to Close section, and the Summaries of Transactions section is replaced with a Payoffs and Payments section listing liabilities that the borrower must pay off.

Calculating Cash to Close

The Calculating Cash to Close section in the alternate version of the Closing Disclosure Page 3 compares amounts for cash-to-close items disclosed to the borrower on the Loan Estimate and the Closing Disclosure, but the Calculating Cash to Close items are different from the items listed on the Calculating Cash to Close section on the standard Closing Disclosure - Page 3.

For the alternate version, the following descriptions of cash-to-close items displays on the left:

• Loan Amount

• Total Closing Costs (J) - Manually select an option from the list

• Closing Costs Paid before Closing

• Total Payoffs and Payments

• Cash to Close

• Text box noting whether the funds are paid **To Borrower** or **From Borrower**

The following additional information displays in the columns to the right of each description:

• **Loan Estimate** - The amount of each fee as shown on the most recently disclosed Loan Estimate that has not been excluded from the Disclosure Tracking timeline. The fields in this column are copied from the Calculating Cash to Close table on Page 2 of the Loan Estimate, with the exception of the Closing Costs Paid Before Closing. This amount is always **0**, because the closing costs paid before closing are not disclosed in the Loan Estimate.

• **Final Amount** - The amount of each fee as disclosed on the Closing Disclosure.

• **Did this change?** - A **Yes** or **No** entry indicating whether the amount for the item as disclosed on the Loan Estimate differs from the amount disclosed on the Closing Disclosure.

- **Remarks** - If **Yes** is populated in the **Did this change?** column, additional information about the change displays in the Remarks column on the right.

Payoff and Payments

The Payoffs and Payments section in the alternate version of the Closing Disclosure Page 3 displays up to 15 liabilities that have been paid off by the borrower. Each entry includes an entry in the To column that lists the payee and a description of the purpose, and an entry in the Amount column that lists the amount of the paid-off liability. At the bottom of this section, the total of all entries displays in line K. Total Payoffs and Payments.

To Edit Liabilities:

- Click the **Show All (VOL)** button to open the Quick Entry - VOL pop-up window and edit liabilities as needed.

To View and Edit Payoff Entries:

1 Click the **Payoffs & Payments** button to open the Payoffs and Payments pop-up window. The pop-up has two sections:
  - **Disbursement to Others** - This section lists the liabilities with balances, including a check box to indicate whether the liability is Paid Off, and columns for the Creditor Name, Description of Purpose, Balance, and Payoff Amount.
  - **Calculating Cash to Close** - This sections displays the information from the Calculating Cash to Close section on the Closing Disclosure - Page 3.
2 In the Disbursement to Others section, select a **Paid Off** check box to mark the disbursement as paid.
3 Click an entry in the Description of Purpose column to edit the description for a disbursement. By default, the purpose is populated from the Purpose field for the VOL entry on the VOL input form.
4 The following data is updated as the **Paid Off** check boxes are selected or cleared:
  - The Total Payoffs and Payments field at the bottom of the Disbursement to Others section displays the total amount for all disbursements that have the **Paid Off** check box selected.
  - The Calculating Cash to Close section is updated based on the selections in the **Paid Off** check boxes.

To Add Non-VOL UCD Adjustment Data:

1 Click the **Payoffs & Payments** button.

2 On the Payoffs and Payments pop-up window, click the **Add** icon.

3 On the Add Other Adjustments pop-up window, complete the following information:
  - **Adjustment Type** – Select an adjustment type from the drop-down list: **Gift**, **Grant**, **Rebate Credit**, or **Other**.

    *NOTE: When the **Other** option is selected, a **Credit** check box displays on the Add Other Adjustment pop-up window. By default, the check box is cleared, indicating that the entry is a charge to the borrower. When a user selects the check box and clicks **OK**, the item is added to the Payoffs and Payments window as a negative value that reduces the Total Payoffs and Payments amount and total Cash to Close amount. When a user does not select the check box and clicks **OK**, the item is added to the Payoffs and Payments window as a positive value that is added to the Total Payoffs and Payments amount and total Cash to Close amount.*

  - **Adjustment Description** – Enter a description of the adjustment (up to 100 characters)
  - **Adjustment Other Description** – If **Other** is selected for the Adjustment Type, enter a description of the Free Entry Field.

• **Adjustment Amount** – Enter the amount of the adjustment.

4 When finished, click **OK**.

- Double-click a non-VOL entry to open the Add Other Adjustments pop-up window for the entry.

- The **Paid Off** check box is disabled for non-VOL entries.

- The **Include** check box is selected by default and indicates that the paid off amount for that borrower pair will be included in the Total Payoffs and Payments (K) field. To exclude the paid off amount for a borrower pair, clear the check box.

- When the **Include** check box is selected for an entry on the Payoffs and Payments table, the adjustment is included in the calculation for the Estimate Total Payoffs and Payments (field ID LE2.X31) on the Loan Estimate Page 2, the K. Total Payoffs and Payments (field ID CD3.X80) on the Closing Disclosure Page 3, and the Final Payoffs and Payments (K) (field ID CD3.X84) on the Closing Disclosure Page 3. For purposes of calculation, all adjustments added via non-VOL process are treated as credits (reducing borrower cash to close). When the **Include** check box is cleared or when a record is deleted, Encompass updates the calculations to remove the adjustment from the three fields mentioned in the preceding bullet point.

- When there are non-VOL based entries in the table and a user switches from alternate to standard disclosures, a confirmation message notifies the user that switching to standard disclosures will delete all non-VOL entries from the pop-up window. The user can then click **OK** to proceed or **Cancel** to continue using alternate disclosures. When no non-VOL entries are in the table, a confirmation message does not display when the user switches from alternate to standard disclosures.

- Non-VOL data is transferred to the Encompass Docs Service for inclusion on the disclosure forms for the Closing Disclosure Page 3 and its Addendum. If there are more than 15 entries in the Payoffs and Payments table, including the non VOL based adjustments, the data prints on the Addendum.

To Add a Non-Cure, Non-VOL Principal Reduction:

1 Click the **Payoffs & Payments** button.

2 On the Payoffs and Payments pop-up window, click the **Add** icon.

3 On the Add Other Adjustments pop-up window, select **Principal Reduction** from the **Adjustment Type** drop-down list.

4 Enter an Adjustment Amount and select a **Paid By** option from the list.

5 Select the appropriate check box on the lower-left to indicate whether the reduction is a **Credit** or **POC (Paid Outside Closing)**.

When finished, click **OK**.

Closing Disclosure Page 4

Use the Closing Disclosure Page 4 input form to review and edit the assumption, demand feature, late payment, negative amortization, partial payments, security interest, and escrow account information. The form is also used to disclose an Adjustable Payment table and an Adjustable Interest Rate table when the principal and interest payment or interest rate for the loan changes after consummation. This form populates page 4 of the Closing Disclosure output form.

Loan Disclosures

Use the Loan Disclosures section to disclose information about the assumption, demand feature, late payment, negative amortization, partial payments, and security interest.

- Some information is already populated from other Encompass forms.

- Other data can be entered or changed.

- Click the **Get Late Fee** button to automatically populate late fees based on state and agency requirements for the subject property location. The button triggers calculations that produce generic late fees or investor-driven overrides to late fees based on investor plan IDs and custom plan IDs associated with the user's Ellie Mae Plan ID.

- To edit the security interest field, click the **Lock** icon.

- All of the fields in this section can be populated using a Data Template.

Loan Disclosures (Escrow)

The Loan Disclosures (Escrow) section indicates whether or not the loan has an escrow account. If the loan has an escrow account, escrow data is populated from the Aggregate Escrow input form. If the loan does not have an escrow account, this section is used to disclose the reason for not having an escrow account and to disclose the property costs for the first year and the escrow waiver fee, if any.

- In the **will have an escrow account** section, click the **Aggregate Setup** button to open the Initial Escrow Account Setup tool.

• In the **will not have an escrow account** section, click the **Lock** icon to edit the estimated property cost for the first year.

Adjustable Payment (AP) Table and Adjustable Interest Rate (AIR) Table

The Adjustable Payment (AP) Table is disclosed when the periodic principal and interest payment for the loan can change after consumption, but not because of a change to the interest rate. The Adjustable Interest Rate (AIR) Table is disclosed when the loan's interest rate can change after consumption.

AP Table

The AP Table is disclosed when the periodic principal and interest payment for the loan can change after consumption, but not because of a change to the interest rate; or if the loan is a seasonal payment loan. If the periodic principal and interest payment does not change, the AP Table is not disclosed. The information

disclosed in the AP Table on the Loan Estimate is disclosed in the AP Table on Closing Disclosure - Page 4 after being updated to reflect the terms of the loan at consummation.

The Adjustable Payment table includes the following entries:

• **Interest Only Payments** - Read-only fields populated based on data from the loan file.

• **Optional Payments** - Read-only fields populated based on data from the loan file.

• **Step Payments** - Editable fields for indicating whether the loan has step payments (the default selection is **No**) and entering the number of payments that are made before the payment amount changes.

• **Seasonal Payments** - Editable fields for indicating whether the loan has seasonal payments (the default selection is **No**) and entering a description.

• **Monthly Principal and Interest Payments**

  *NOTE: If the **Biweekly** option (field ID 423) is selected for the Amortization type, the title of this section changes from Monthly Principal and Interest Payments to Biweekly Principal and Interest Payments.*

  • If the **Yes** option is selected for Interest Only Payments, the three fields in this section are populated with read-only text describing the changes and maximum payment amount for the principal and interest payments, based on data in the loan.

  • If the **Yes** option is selected for Optional Payments, Step Payments, or Seasonal Payments, the three fields in this section are blank and can be edited.

AIR Table

The AIR Table is disclosed when the loan's interest rate can change after consummation. The AIR table displays on the input form when the ARM option is selected for the Amortization Type (field ID 608). If the ARM option is not selected: the loan's interest rate does not change after consummation, the AIR Table is not disclosed, and the table does not display on the input form.

The AIR table includes the following entries:

- **Index + Margin** - The margin index and rate.

- **Initial Interest Rate** -The initial interest rate for the loan.

- **Min/Max Interest Rate** - The minimum and maximum interests rates during the life of the loan. Click the **Lock** icon to edit the minimum rate.

- **Change Frequency** - This sections display the timing of the first interest rate adjustment and the number of months between each subsequent adjustment.

- **Limits on Interest Rate Changes** - The maximum interest rate change for the initial increase and subsequent increases.

Closing Disclosure Page 5

Use the Closing Disclosure Page 5 input form to review important loan calculation figures, review and edit information about whether state law protects the borrower from liability for the unpaid balance of the loan, and review and edit important contact information for the loan. This form is used to populate page 5 of the Closing Disclosure output form.

Loan Calculations

The Loan Calculations section displays the Total of Payments, the Finance Charge, the Amount Financed, the Annual Percentage Rate (APR), and the Total Interest Percentage (TIP) values that will be disclosed to the borrower in the Closing Disclosure. Click the **Lock** icons to adjust the amounts.

Other Disclosures

Use the Other Disclosures section to select an option to indicate whether state law protects the borrower from liability for the unpaid balance of the loan in the event of foreclosure. Only one of these options can be selected.

Contact Information

The Contact Details section displays contact information for the Lender, Mortgage Broker, Real Estate Broker (for the buyer and seller), and Settlement Agent. This information is populated from the File Contacts tool, but changes can be made to the contact information on the Closing Disclosure - Page 5 without changing the information in the File Contacts tool.

To Copy Contact Information from the 1003:

• In the Lender section, click the **Copy From 1003** button to populate the fields in the Lender section with data from the 1003. Future updates of the 1003 are not copied to these fields.

To Add Contact Information from Your Business Contacts:

1 In the Real Estate Broker (B), Real Estate Broker (S), or Settlement Agent section, click the **Address Book** icon to add contact information from your business contacts.

2 When the **Business Contacts** window opens, select a business contact and then click **Select**.

    • When the **Address Book** icon is used to add contact information, the business contact is copied to the Closing Disclosure - Page 5 and to the File Contacts tool.

To Add Mortgage Broker Contact Information from the External Company Setup Setting:

1 In the Mortgage Broker section, click the **Find** icon (magnifying glass) to populate contact information from the External Company Setup settings.

2 When the Search for Loan Officer window opens, click the **Find** icon to select a Company.

3 Click the **Find** icon to select a Branch, if appropriate.

4 Select a Loan Officer from the drop-down list, and then click **OK**.

Closing Disclosure Fields Requiring Manual Entry

While many of the fields on the Closing Disclosure are automatically populated based on data entered on the 2015 Itemization and LE input forms, there are some key fields where data must be entered manually.

• **CD Date Issued (**field ID CD1.X1) - Enter the date the CD was initially disclosed to the Borrower. If the CD is then redisclosed, return to this field and enter the redisclosure date. If this field is blank and the CD is printed, Encompass will automatically populate the current date here before printing starts.

• **CD Page 3 Summaries of Transactions -** The Summary of Transactions is used to disclose the amounts due from and already paid by the borrower at closing, and the amounts due to and due from the seller at closing. For more information about these fields refer to the Summaries of Transactions section on page 121.

Closing Disclosure Page 3

- **Negative Amortization** (field ID CD4.X2) - Select one of these check boxes to indicate how negative amortization is treated for the loan.

Closing Disclosure Page 4

- **Partial Payments** (field ID CD4.X3) - Select one of these check boxes to indicate how partial payment options are treated for the loan.

Closing Disclosure Page 4

- **Liability Foreclosure language** (field ID CD5.X6) - Select a check box to indicate whether state law protects the borrower from liability for the unpaid balance of the loan in the event of foreclosure.

Closing Disclosure Page 5

- **Signature Type** (field ID CD5.X67) - At the bottom of the CD Page 5, select the signature type from the drop-down list. By default, **As Applicant** is selected for this field.

- **CD Page 5 Contact Information -** Use the Contact Information section to enter and edit important contact information for the loan. If contact information is not already populated from the File Contacts tool, click the **Address Book** icon to populate contact information from your business contacts.

Closing Disclosure Page 5

Contact Information

Lender	Copy From 1003	Mortgage Broker	
Name		Name	🔍
Address		Address	
City		City	
State	Zip	State	Zip
NMLS ID		NMLS ID	
ST License ID		ST License ID	
Contact		Contact	
Contact NMLS ID		Contact NMLS ID	
Contact ST License ID		Contact ST License ID	
Email		Email	
Phone		Phone	

Real Estate Broker (B)		**Real Estate Broker (S)**	
Name	📖	Name	📖
Address		Address	
City		City	

Completing the Closing Disclosure Pages

The Closing Disclosure input form (pages 1-5) enables you to review, edit, or enter information that is populated to the Closing Disclosure output form that is provided to the borrower at least three business days prior to consummation. When working with the CD, here are common tasks you should perform:

Closing Disclosure Page 1

- Complete the Closing Information and Loan Information sections.
- Review and edit the Transaction Information section.
- Review the loan terms, projected calculations (for estimated payments, the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments), and costs at closing.

Closing Disclosure Page 2

- Review the Loan Costs and Other Costs paid by the borrower, seller, and others at and before closing. In-formation on this form is populated from the 2015 Itemization form and cannot be edited.

Closing Disclosure Page 3

- Review the Calculating Cash to Close and Summaries of Transaction information that will be populated on the Closing Disclosure output form.
- For a loan with a seller:
  - In the Calculating Cash to Close section, manually enter or select entries for the Total Closing Costs (J) and Seller Credit.
  - Complete the Summaries of Transactions sections for the borrower and seller.

- For a loan with no seller:
  - In the Calculating Cash to Close section, manually enter or select entries for the Total Closing Costs (J).
  - Click the show **All (VOL)** button to view the verification of liabilities entries.
  - Click the **Edit Payoffs & Payments** button to edit the entries in the Payoffs and Payments section.

Closing Disclosure Page 4

- Edit the assumption, demand feature, late payment, negative amortization, partial payments, and security interest information as needed.
- In the Loan Disclosure - Escrow section, the Escrow Account information is populated based on the Aggregate Setup. The Will have an escrow check box (field ID 1550) drives whether there is an escrow or not.
- The Closing Disclosure Page 4 is also used to disclose an Adjustable Payment (AP) Table and an Adjustable Interest Rate (AIR) Table when the principal and interest payment or interest rate for the loan increases after consummation.
  - On the AP table, select options for Step Payments and Seasonal Payments as needed.
  - On the AIR table, adjust the rate change information on the AIR table as needed.

Closing Disclosure Page 5

- Review important loan calculation figures, review and edit information about whether state law protects the borrower from liability for the unpaid balance of the loan.
- Review and edit important contact information for the loan. If contact information is not already populated from the File Contacts tool, click the **Address Book** icon to populate contact information from your business contacts.

RegZ-LE

The RegZ-LE provides an overall view of the terms of the loan and its costs over time. Changes to fields on the RegZ-LE are reflected on the 1003 and Loan Estimate input forms as appropriate. If you have completed the 1003 application for the borrower or copied values from a Loan Program template, many of these fields are already filled. The RegZ-LE has no corresponding output form and is used primarily to review loan information and to enter or edit information about specific types of loans (for example, ARM mortgages).

Disclosure Information

Most of the fields in this section are populated automatically based on information entered in the Disclosure Tracking tool when disclosures are made to the borrower.

- For the Loan Program, click the **Find** icon to select a template of predefined loan terms and values.
- For the Closing Cost Program, click the **Find** icon to select a template that calculates the closing costs using predefined rates and values.
- Type the 1st Payment Date used to calculate the payment and aggregate escrow account schedules, or click the **Calendar** icon to select a date.

Loan Information

The basic loan amount and terms should be populated from the Borrower Summary form. If not, enter that information plus any additional terms required for the type of loan being created. For example, rates for ARM mortgages, biweekly payments, potential negative amortization, and construction mortgage details.

Loan Terms

Enter the loan amount, followed by the additional terms required for the loan.

Interest Only

Enter the number of months that payments will be applied to the interest rate only. Select the **Qualify using P&I** check box to qualify the loan using an estimated payment that includes both principal and interest.

Days Per Year

Select a method of calculation for the repayment schedule. For each option, the value represents the number of days per year used to calculate the loan's daily interest.

Biweekly

Select the check box to require mortgage payments every two weeks, rather than every month. For more information about biweekly loans, refer to the *Process a Biweekly Loan* topic in the Encompass online help.

Buydown Mortgage

Encompass has temporarily stopped supporting temporary Buydown loans with an application date on or after January 30, 2011. Support will resume once the Federal Reserve Board clarifies how temporary Buydowns should be managed so that they comply with the Mortgage Disclosure Improvement Act (MDIA) Interim Rule for Closed-End Loans that went into effect on January 30, 2011.

The Buydown Mortgage fields are read-only by default. You may click the blue Lock icon to enter the terms of the Buydown subsidy manually. However, the RegZ-LE output form will not be accurate if it contains Buydown data and you must acknowledge that you are knowingly proceeding at your own risk before entering data. The Buydown terms entered here are used to calculate the monthly Buydown subsidy, the total fund for each Buydown period and the current fund balance for each period on the Buydown Disbursement Summary form.

Adjustable Rate Mortgage

In the first two fields in the Adjustable Rate Mortgage section, enter the maximum percentage that the loan can adjust at the first adjustment period and the number of months from the close of the loan to when the first rate adjustment can occur.

- In the Adj Cap field (field ID 695), enter the maximum percentage that the loan rate can change at each adjustment, after the first adjustment.
- In the Adj Period field (field ID 694), enter the number of months between rate adjustments, after the first adjustment.
- In the Life Cap field (field ID 247), enter the maximum percentage (above the initial note rate) that the rate can adjust during the life of the loan.
- The Max Life Int. Rate field (field ID 2625) displays the maximum interest rate cap for the life of the loan.

Get Index Rate

Click the **Get Index** button to look up the current index (based on the ARM Index Type indicated on the RegZ-LE). The Index field (field ID 688) is updated with the most current index and is used as the basis for the rate of the loan.

Potential Negative Amortization

Enter the terms for a negative amortization loan.

Graduated Pmt Mortgage

Enter the additional payment to be made every month to reduce the loan balance in the Extra Payment field (field ID 312).

Adjustable Payment (AP) Table

The AP Table is disclosed when the periodic principal and interest payment for the loan can change after consummation, but not because of a change to the interest rate; or if the loan is a seasonal payment loan. If the periodic principal and interest payment does not change, the AP Table is not disclosed. The information disclosed in the AP Table on the Loan Estimate is disclosed in the AP Table on Closing Disclosure - Page 4 after being updated to reflect the terms of the loan at consummation.

The Adjustable Payment table includes the following entries:

- **Interest Only Payments** - Read-only fields populated based on data from the loan file.
- **Optional Payments** - Read-only fields populated based on data from the loan file.

- **Step Payments** - Editable fields for indicating whether the loan has step payments (the default selection is **No**) and entering the number of payments that are made before the payment amount changes.

- **Seasonal Payments** - Editable fields for indicating whether the loan has seasonal payments (the default selection is **No**) and entering a description.

- **Monthly Principal and Interest Payments**

     *NOTE: If the **Biweekly** option (field ID 423) is selected for the Amortization type, the title of this section changes from* Monthly Principal and Interest Payments *to* Biweekly Principal and Interest Payments.

  - If the **Yes** option is selected for Interest Only Payments the three fields in this section are populated with read-only text describing the changes and maximum payment amount for the principal and interest payments, based on data in the loan.

  - If the **Yes** option is selected for Optional Payments, Step Payments, or Seasonal Payments, the three fields in this section are blank and can be edited.

Adjustable Interest Rate (AIR) Table

The AIR Table is disclosed when the loan's interest rate can change after consummation. The AIR table displays on the input form when the ARM option is selected for the Amortization Type (field ID 608). If the ARM option is not selected: the loan's interest rate does not change after consummation, the AIR Table is not disclosed, and the table does not display on the input form.

The AIR table includes the following entries:

- **Index + Margin** - The margin index and rate.
- **Initial Interest Rate** - The initial interest rate for the loan.
- **Min/Max Interest Rate** - The minimum and maximum interests rates during the life of the loan. Click the Lock icon to edit the minimum rate.
- **Change Frequency** - This sections display the timing of the first interest rate adjustment and the number of months between each subsequent adjustment.
- **Limits on Interest Rate Changes** - The maximum interest rate change for the initial increase and subsequent increases.

Construction Mortgage
Est. Interest On

Select a method for calculation of interest. Method A (also known as Half Loan or On Advance When Made Method): Interest is payable only on the amount advanced for the time it is outstanding. Assumes one half of the commitment amount is outstanding at the contract interest rate for the entire construction period. Method B (also known as Full Loan): Interest is payable on the entire amount regardless of actual dates or amounts of disbursement. Assumes the entire commitment amount is outstanding at the contract interest rate for the entire construction period.

Number of Days

Select a method for calculation of the repayment schedule. In each option, the first value represents the number of days per year used to calculate the loan's total interest and the second number represents the number of days per year used to calculate the daily interest.

- 360/360: Total interest is calculated based on the months in the loan period multiplied by 30 (partial months are not allowed) / Daily interest is calculated based on 360 days in a year.

- 365/360: Total Interest is calculated based on the total days in the loan period (partial months are allowed) / Daily interest is calculated based on 360 days per year.

- 365/365: Total Interest is calculated based on the total days in the loan period (partial months are allowed) / Daily interest is calculated based on 365 days per year.

Mortgage Insurance

- Click the **Edit** icons to calculate the mortgage insurance premium and term.

***NOTE:** Select the **Prepaid** check box to apply the months of PMI premiums (field 1209) to the payment stream in the Payment Schedule section. The prepaid premiums are applied at the end of the payment stream and reduce the PMI payment period by the same number of months.*

Projected Payments

The Projected Payments section shows the estimated payments (monthly or biweekly, depending on the loan type), the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments.

- Click the **View Payment Schedule** button in the section header to view the payment schedule.

The top of the section lists the estimated payments (monthly or biweekly, depending on the loan type). A column on the left lists the type of information displayed in each row:

- Time period
- Principal and interest
- Mortgage insurance
- Estimated escrow
- Total estimated monthly or biweekly payment

*NOTE: The Project Payments table is read-only by default and displays information based on the type of loan. Use the **Customize** check box and **Edit** button at the top of the section to customize the Projected Payments section for loan types that require specialized setup for the Projected Payments table.*

The top of the section lists the estimated payments   (monthly or biweekly, depending on the loan type). A column on the left lists the type of information displayed in each row:

- Time period
- Principal and interest
- Mortgage insurance
- Estimated escrow
- Total estimated monthly or biweekly payment

Up to four columns on the right display payment amounts, including payments for various time periods when the principal and interest payment change, mortgage insurance payments end, or a balloon payment is due. For example:

- A 30-year fixed rate loan displays only one column if monthly payments do not change during the life of the loan and there is no mortgage insurance or balloon payment.
- A 5/3 ARM Interest Only loan may have four columns due to periodic interest rate adjustments and the termination of mortgage insurance payments.

All adjustable rate (ARM) loans will generate a four column Projected Payments table based on the following loan triggers:

Balloon loans

The final balloon payment is populated to the fourth column in the table, i.e., the Final Payment column. This is existing logic continued from earlier versions of Encompass.

Interest Rate Changes

- If the Max Lifetime Rate is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.
- If the Min (Floor Rate) is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.

Periodic Principal and Interest Payment Changes

Four column Projected Payments table is generated when the following events occur:

- Interest Only payment period ends
- Negative amortization period ends
- The anniversary of the initial periodic payment changes after multiple payment changes occur in a single year

Mortgage Insurance

If automatic termination of mortgage insurance occurs in any of the above scenarios, a four column Projected Payments will be generated if the current table contains only three columns. Otherwise, the automatic termination of mortgage insurance on its own will not trigger a fourth column.

*NOTE: The **Apply Actual Payment Change** check box is provided at the top of the Projected Payments table for ARM loans only. Select this check box to revert to the previous Projected Payments table trigger logic used in Encompass 15.2.0.0 (and earlier) and apply the actual payment change. This check box is hidden if the Projected Payments table's **Customize** check box is selected.*

Payment Schedule

The Payment Schedule is calculated using values from the loan terms and loan type fields.

Payment Schedule					☐ Customize	Calculate Payment
# of Payments	Payment Date	Interest Rate		Monthly Payment	Balance	
359	01/01/2015	3.500	%	1,796.18	1,790.22	
1	12/01/2044	3.500	%	1,795.44	0.00	
	//		%			
	//		%			
	//		%			
	//		%			
	//		%			
	//		%			
	//		%			
	//		%			
Prepaid Finance		304.44		**Finance Charge**	246,928.50	
Total Number of Payments		360		**Amount Financed**	399,695.56	
				Total of Payments	646,624.06	

To Enter Custom Values:

1 Select the **Customize** check box.

2 Type values in the Number of Payments, Interest Rate, and Monthly Payment fields as needed.

3 Click **Calculate Payment** to recalculate the payment schedule.

4 Clear the **Customize** check box to return to the original schedule.

Features and Conditions

These sections contain information related to loan conditions such as early payoff, late charges, and assumability.

• Click the **Prepayment Penalty** button to enter detailed prepayment penalty information.

To Enter Prepayment Penalty Information:

1 To create up to five entries for prepayment penalties, select the type of prepayment penalty (Hard or Soft).

2 Type the number of months in the prepayment period, and the percentage of the prepayment.

3 The Hard Prepayment Period and Prepayment Penalty Period fields are calculated based on previous entries.

4 In the Prepayment Penalty Fee field, enter the number of months of advanced interest that the prepay penalty cannot exceed

5 In the Penalty Based on field, select the amount or balance on which the prepayment penalty is based.

• When a loan is being serviced after closing, late charges established on the RegZ-LE will be adjusted on the Interim Servicing Worksheet if the amount is below the minimum or above the maximum amount configured by your administrator for the subject property state in the Servicing setting.

• If you are using Electronic Document Management (EDM) or the Encompass Docs Solution (EDS), click the **Get Late Fee** button to automatically populate late fees based on state and agency requirements for the subject property location. The button triggers calculations that produce generic late fees or investor-driven overrides to late fees based on investor plan IDs and custom plan IDs associated with the user's Ellie Mae Plan ID.

HELOC - Draw/Repayment Period

HELOC loans are not subject to the 2015 TILA -RESPA regulations. When originating a HELOC loan, switch to the 2010 RESPA forms, as described in "To Use 2015 Forms with Individual Loan Files:" on page 67.

RegZ-CD

The RegZ-CD form provides the borrower with an overall view of the terms of the loan and its costs over time. It also contains information specific to the requirements for requesting closing documents. Many of the fields will already be completed, based on entries on the 1003 and the Loan Estimate disclosure input forms. The RegZ-CD has no corresponding output form and is used primarily to review loan information, to edit information about specific types of loans (for example, ARM mortgages) and to order closing documents.

Closing Docs

- **Loan Program** - When working with this feature, a "loan program" is a template of predefined values that display primarily on the Truth-In-Lending Disclosure statement and the 1003 application. Here you can use the Loan Program button to select a loan program to use with the loan. The data from the template is copied to the loan forms. Once applied to the loan, you can leave the data as is or change values as needed. The original data on the loan program template is not affected. Click the **Loan Program** button to select a loan program to apply to the loan.

  - If you select a loan program that is associated with a plan code, the plan code data is applied to applicable fields as well.

  - To view the loan program data that will be applied to the loan if selected, click to select the loan program. The details display in the Details section (located on the right side of the Select Loan Program Template window).

  - To change the loan program data for this loan only, make your changes in the Details section of the Select Loan Program Template window.

  NOTE: If you select a loan program associated with a plan code, the plan code data cannot be edited in the Select Loan Program Template window.

  - Select the **Only apply Loan Program template fields that contain a value** check box to apply only those fields that are populated in the template to the loan file.

  - If the selected loan program template has a closing cost template associated with it, select the **Only apply Closing Cost template fields that contain a value** check box to apply only those fields that are populated in the closing cost template to the loan file.

- **Plan Code** - Use the Plan Code feature to select a loan program that will be applied to the closing documents.

  Use the Plan Code feature to select a loan program that will be applied to the closing documents. Here you can select from a list of investor-specific plan codes or create your own custom plan code.

  - To apply a new plan code to the loan file (and the associated closing documents), click the **Plan Code** button, click to select a plan code, and then click **Select**.Only plan codes that match the current loan data are listed. To view all plan codes, click the **Clear Filter** button.

- If there is an investor associated with the plan code, the Apply Investor Info drop-down list displays in the lower-left corner of the Select Plan Code window. To apply investor information to the loan file and closing documents, select the investor from the drop-down list. The forms to include in the closing documents and/or the address to print on the forms for servicing may be determined by the investor you select here.

- You can perform a search by typing data into a field above a plan code column or by selecting an option from a column's drop-down list. Only plan codes containing the specified data are displayed.

- Click a column header to sort all plan codes in ascending or descending order based on the information in a column.

- To add a plan code to the list, click the **New** icon, and then select the plan code to add. To view a plan code's details, including the values that will be added to the loan file if selected, select the plan code, and then click the **View Plan Code Details** icon (magnifying glass). For detailed instructions about working with plan codes, view the *Closing Doc Plan Codes* topic in the Encompass online help.

- If any values in the loan file are different from the corresponding values in the selected plan code, the Plan Code Conflict window displays showing the affected fields. Conflicting loan data is identified by a red alert icon.

  - Click the **Import Plan Data** button to overwrite the current loan data with the selected plan code data. These changes are applied to the loan immediately.

  - Click **Skip Import** to continue ordering the closing documents without resolving the plan code conflicts.

  - Click **Cancel** to close the Plan Code Conflict window without making any changes to the loan data. You can then update the applicable fields in the loan file to resolve any conflicts that were found.

- **Alt Lender** - Use the Alternate Lender feature to view alternate lender information (code number and description) that appears on the closing documents.

  1 On the RegZ-CD form, click the **Alt Lender** button to view alternate lender information (code number and description) that appears on the closing documents.

  2 In the Alternate Lenders window, select a lender, and then click **Select** to replace the current lender information in the loan with the selected lender's information.

- **Check Closing Document Data** - The Closing Document Data button on the RegZ-CD input form enables you to review and confirm the accuracy of the lender and investor data that will be applied to the closing documents. If

necessary, you can change this data and replace the old data in the loan file. Please note, any changes you make here are applied to the current loan file only.

1. On the RegZ-CD input form, click the **Closing Document Data** button on the top-right of the form.

2. In the Closing Document Data window, click the **Lender Info** tab to view lender data that is currently included in the lender settings. This information is added as part of the initial Encompass Docs Solution set up performed by Ellie Mae and your administrator. This information will print to your closing documents.

3. Click the **Investor Info** tab to view the investor data that is currently in the loan file. This information is populated based on the plan code currently applied to the loan.

4. To change a field on either tab, click the slider to the left of the field and enter or select a new value. Changes made here are applied to the current loan file only.

    - To make changes to the default lender and investor data that is applied to the closing documents, contact your Ellie Mae account representative.

5. When finished, click **OK**.

Disclosure Information

- If authorized by your administrator, you can click the blue **Lock** icon next to a field, and then enter data manually. When you click the blue Lock icon, it changes to a gold Lock icon.

- After entering data manually, you can click the gold **Lock** icon to replace the manually entered data with data calculated by Encompass.

    - If closing documents have not been ordered yet, the Last CD Sent Date, Borrower Received Date, Disclosed APR, and Disclosed Finance Charge fields are populated with data pulled from the corresponding fields in the Disclosure Tracking tool when the gold Lock icon is clicked.

- If closing documents have been ordered, the values in the Last CD Sent Date, Borrower Received Date, Disclosed APR, and Disclosed Finance Charge fields revert back to the values that were set when the closing documents were ordered when the gold Lock icon is clicked.

Loan Information

This section displays the loan amount and terms, including the monthly payment, purpose, and details for the loan type. Most information will already be completed with information from the 1003 and RegZ-LE forms.

Loan Terms

If not already populated from the Borrower Summary form, enter the loan amount, followed by the additional terms required for the loan.

Interest Only

If not already populated, enter the number of months that payments will be applied to the interest rate only. Select the **Qualify using P&I** check box to qualify the loan using an estimated payment that includes both principal and interest.

Days Per Year

Select a method of calculation for the repayment schedule. For each option, the value represents the number of days per year used to calculate the loan's daily interest.

Biweekly

Select the check box to require mortgage payments every two weeks, rather than every month. For more information about biweekly loans, refer to the *Process a Biweekly Loan* topic in the Encompass online help.

Buydown Mortgage

Encompass has temporarily stopped supporting temporary Buydown loans with an application date on or after January 30, 2011. Support will resume once the Federal Reserve Board clarifies how temporary Buydowns should be managed so that they comply with the Mortgage Disclosure Improvement Act (Midwinter Rule for Closed-End Loans that went into effect on January 30, 2011.

The Buydown Mortgage fields are read-only be default. You may click the blue Lock icon to enter the terms of the Buydown subsidy manually. However, the RegZ-CD output form will not be accurate if it contains Buydown data and you must acknowledge that you are knowingly proceeding at your own risk before entering data. The Buydown terms entered here are used to calculate the monthly Buydown subsidy, the total fund for each Buydown period and the current fund balance for each period on the Buydown Disbursement Summary form.

Adjustable Rate Mortgage

In the first two fields in the Adjustable Rate Mortgage section, enter the maximum percentage that the loan can adjust at the first adjustment period and the number of months from the close of the loan to when the first rate adjustment can occur.

- In the Adj Cap field (field ID 695), enter the maximum percentage that the loan rate can change at each adjustment, after the first adjustment.

- In the Adj Period field (field ID 694), enter the number of months between rate adjustments, after the first adjustment.

- In the Life Cap field (field ID 247), enter the maximum percentage (above the initial note rate) that the rate can adjust during the life of the loan.

- The Max Life Int. Rate field (field ID 2625) displays the maximum interest rate cap for the life of the loan.

Get Index Rate

Click the **Get Index** button to look up the current index (based on the ARM Index Type indicated on the RegZ-LE). The Index field (field ID 688) is updated with the most current index and is used as the basis for the rate of the loan.

Potential Negative Amortization

Enter the terms for a negative amortization loan.

Graduated Pmt Mortgage

Enter the additional payment to be made every month to reduce the loan balance in the Extra Payment field (field ID 312).

Adjustable Payment (AP) Table

The AP Table is disclosed when the periodic principal and interest payment for the loan can change after consummation, but not because of a change to the interest rate; or if the loan is a seasonal payment loan. If the periodic principal and interest payment does not change, the AP Table is not disclosed. The information disclosed in the AP Table on the Loan Estimate is disclosed in the AP Table on Closing Disclosure - Page 4 after being updated to reflect the terms of the loan at consummation.

The Adjustable Payment table includes the following entries:

- **Interest Only Payments** - Read-only fields populated based on data from the loan file.

- **Optional Payments** - Read-only fields populated based on data from the loan file.

- **Step Payments** - Editable fields for indicating whether the loan has step payments (the default selection is **No**) and entering the number of payments that are made before the payment amount changes.

- **Seasonal Payments** - Editable fields for indicating whether the loan has seasonal payments (the default selection is **No**) and entering a description.

- **Monthly Principal and Interest Payments**

  NOTE: If the Biweekly option (field ID 423) is selected for the Amortization type, the title of this section changes from Monthly Principal and Interest Payments *to* Biweekly Principal and Interest Payments.

  - If the **Yes** option is selected for Interest Only Payments, the three fields in this section are populated with read-only text describing the changes and maximum payment amount for the principal and interest payments, based on data in the loan.

  - If the **Yes** option is selected for Optional Payments, Step Payments, or Seasonal Payments, the three fields in this section are blank and can be edited.

Adjustable Interest Rate (AIR) Table

The AIR Table is disclosed when the loan's interest rate can change after consummation. The AIR table displays on the input form when the ARM option is selected for the Amortization Type (field ID 608). If the ARM option is not selected: the loan's interest rate does not change after consummation, the AIR Table is not disclosed, and the table does not display on the input form.

The AIR table includes the following entries:

• **Index + Margin** - The margin index and rate.

• **Initial Interest Rate** -The initial interest rate for the loan.

• **Min/Max Interest Rate** - The minimum and maximum interests rates during the life of the loan. Click the **Lock** icon to edit the minimum rate.

• **Change Frequency** - This sections display the timing of the first interest rate adjustment and the number of months between each subsequent adjustment.

• **Limits on Interest Rate Changes** - The maximum interest rate change for the initial increase and subsequent increases.

Construction Mortgage

For more information about construction loans, refer to the *Process a Construction Loan* and *Construction Management* topics in the Encompass online help.

Est. Interest On

Select a method for calculation of interest. Method A (also known as Half Loan or On Advance When Made Method): Interest is payable only on the amount advanced for the time it is outstanding. Assumes one half of the commitment

amount is outstanding at the contract interest rate for the entire construction period. Method B (also known as Full Loan): Interest is payable on the entire amount regardless of actual dates or amounts of disbursement. Assumes the entire commitment amount is outstanding at the contract interest rate for the entire construction period.

Number of Days

Select a method for calculation of the repayment schedule. In each option, the first value represents the number of days per year used to calculate the loan's total interest and the second number represents the number of days per year used to calculate the daily interest.

• 360/360: Total interest is calculated based on the months in the loan period multiplied by 30 (partial months are not allowed) / Daily interest is calculated based on 360 days in a year.

• 365/360: Total Interest is calculated based on the total days in the loan period (partial months are allowed) / Daily interest is calculated based on 360 days per year.

• 365/365: Total Interest is calculated based on the total days in the loan period (partial months are allowed) / Daily interest is calculated based on 365 days per year.

Mortgage Insurance
Use the **Edit** icons in the Mortgage Insurance section to calculate the mortgage insurance premium and term.

Projected Payments
The Projected Payments section shows the estimated payments (monthly or biweekly, depending on the loan type), the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments.

• Click the **View Payment Schedule** button in the section header to view the payment schedule.

NOTE: *The Project Payments table is read-only by default and displays information based on the type of loan. Use the **Customize** check box and **Edit** button at the top of the section to customize the Projected Payments section for loan types that require specialized setup for the Projected Payments table.*

The top of the section lists the estimated payments (monthly or biweekly, depending on the loan type). A column on the left lists the type of information displayed in each row:

• Time period

• Principal and interest

• Mortgage insurance

• Estimated escrow

- Total estimated monthly or biweekly payment

Up to four columns on the right display payment amounts, including payments for various time periods when the principal and interest payment change, mortgage insurance payments end, or a balloon payment is due. For example:

- A 30-year fixed rate loan displays only one column if monthly payments do not change during the life of the loan and there is no mortgage insurance or balloon payment.
- A 5/3 ARM Interest Only loan may have four columns due to periodic interest rate adjustments and the termination of mortgage insurance payments.

All adjustable rate (ARM) loans will generate a four column Projected Payments table based on the following loan triggers:

Balloon loans

The final balloon payment is populated to the fourth column in the table, i.e., the Final Payment column. This is existing logic continued from earlier versions of Encompass.

Interest Rate Changes

- If the Max Lifetime Rate is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.
- If the Min (Floor Rate) is reached at the first adjustment, all subsequent adjustments are reflected in the four column Projected Payments table even if the payment has not changed.

Periodic Principal and Interest Payment Changes

Four column Projected Payments table is generated when the following events occur:

- Interest Only payment period ends
- Negative amortization period ends
- The anniversary of the initial periodic payment changes after multiple payment changes occur in a single year

Mortgage Insurance

If automatic termination of mortgage insurance occurs in any of the above scenarios, a four column Projected Payments will be generated if the current table contains only three columns. Otherwise, the automatic termination of mortgage insurance on its own will not trigger a fourth column.

- The **Apply Actual Payment Change** check box is provided at the top of the Projected Payments table for ARM loans only. Select this check box to revert to the previous Projected Payments table trigger logic used in Encompass 15.2.0.0 (and earlier) and apply the actual payment change. This check box is hidden if the Projected Payments table's **Customize** check box is selected.

Payment Schedule

The Payment Schedule is calculated using values from the loan terms and loan type fields.

To Enter Custom Values:

1 Select the **Customize** check box.

2 Type values in the Number of Payments, Interest Rate, and Monthly Payment fields as needed.

3 Click **Calculate Payment** to recalculate the payment schedule.

4 Clear the **Customize** check box to return to the original schedule.

Features and Conditions

These sections contain information related to loan conditions such as early payoff, late charges, and assumability.

- Click the **Prepayment Penalty** button to enter detailed prepayment penalty information.

To Enter Prepayment Penalty Information:

1 To create up to five entries for prepayment penalties, select the type of prepayment penalty (Hard or Soft).

2 Type the number of months in the prepayment period, and the percentage of the prepayment.

3 The Hard Prepayment Period and Prepayment Penalty Period fields are calculated based on previous entries.

4 In the Prepayment Penalty Fee field, enter the number of months of advanced interest that the prepay penalty cannot exceed.

5 n the Penalty Based on field, select the amount or balance on which the prepayment penalty is based.

HELOC Information

HELOC loans are not subject to the 2015 TILA -RESPA regulations. When originating a HELOC loan, switch to the 2010 RESPA GFE and HUD-1 forms, as described in To Use 2015 Forms with Individual Loan Files: section on page 67.

Fee Variance Worksheet

Use the Fee Variance Worksheet to view differences between fees currently entered on the 2015 Itemization form, fees disclosed on the Loan Estimate, and fees disclosed on the Closing Disclosure. The Fee Variance Worksheet is populated when the initial Loan Estimate is disclosed to the borrower. It is updated when fees change on the 2015 Itemization, when the Closing Disclosure is disclosed, and when the Loan Estimate or Closing Disclosure are redisclosed.

Use the first five sections of the worksheet to identify potential tolerance violations by viewing differences between disclosed fees and fees that have since been updated on the 2015 Itemization. When all disclosures have been sent to the borrower and the loan is ready to close, the Tolerance Cure section at the bottom of the of the worksheet calculates any variance that exceeds the tolerance limit and provides fields where you can enter the amount applied toward the cure and describe how the cure was addressed.

To Open the Fee Variance Worksheet:

- Open a loan file, click the **Tools** tab on the lower-left, and then click **Fee Variance Worksheet**.

Fees Categorized by Variance Limits

The first four sections of the worksheet display fees in categories based on the variances allowed for each category of fees:

- Items that Cannot Decrease
- Charges that Cannot Increase
- Charges that in Total Cannot Increase More Than 10%
- Charges that Can Change

Each section includes a list of fees in the category. Use the columns described below to compare fee amounts on the 2015 Itemization, Loan Estimate, and Closing Disclosure:

- **Itemization #** – The line number of the fee on the 2015 Itemization.

- **Initial LE** - The fee amount disclosed on the initial Loan Estimate or on a redisclosed Loan Estimate for which the borrower has indicated an intent to proceed.

- **LE Baseline** – The fee amount from the Loan Estimate that is being used as the baseline for comparing differences and establishing variances with the 2015 Itemization and Closing Disclosure. If more than one Loan Estimate has been disclosed, different Loan Estimates may be used to set the LE Baseline fees in different fee categories. In each section, the top of the LE Baseline column displays the date of the Loan Estimate used to populate the LE Baseline values in the section.

- **CD Baseline** – The fee amount from the most recently disclosed Closing Disclosure that is being used as the baseline for comparing differences and establishing variance amounts with the 2015 Itemization and the Loan Estimate. When there is no difference in a section between fees disclosed in the Loan Estimate and the Closing Disclosure, LE Baseline Used displays at the top of the CD Baseline column. When there is a difference, the date of the Closing Disclosure displays.

- **Itemization** – The fee amount currently entered on the 2015 Itemization.

Itemization #	Initial LE	LE Baseline	CD Baseline	Itemization
	03/06/2015	03/06/2015 🔍	LE Baseline Used	Current
# 1201	152.00	152.00	152.00	169.00
#				

View Disclosure Data

Click the **Find** icon (magnifying glass) at the top of the LE Baseline column and the CD Baseline column (when appropriate) to view read-only data from the disclosed Loan Estimates and Closing Disclosures for the loan.

To View Disclosed Loan Estimates:

1 Click the **Find** icon (magnifying glass) at the top of the LE Baseline column in a section.

2 The Disclosed LE Snapshot window displays a list of disclosed Loan Estimates. If the borrower has indicated an intent to proceed, the **Intent to Proceed** check box is selected for the appropriate Loan Estimate.

3 To view read-only data from a Loan Estimate, select a Loan Estimate from the list and then click a tab in the lower section of the window to view data from a specific page on the Loan Estimate.
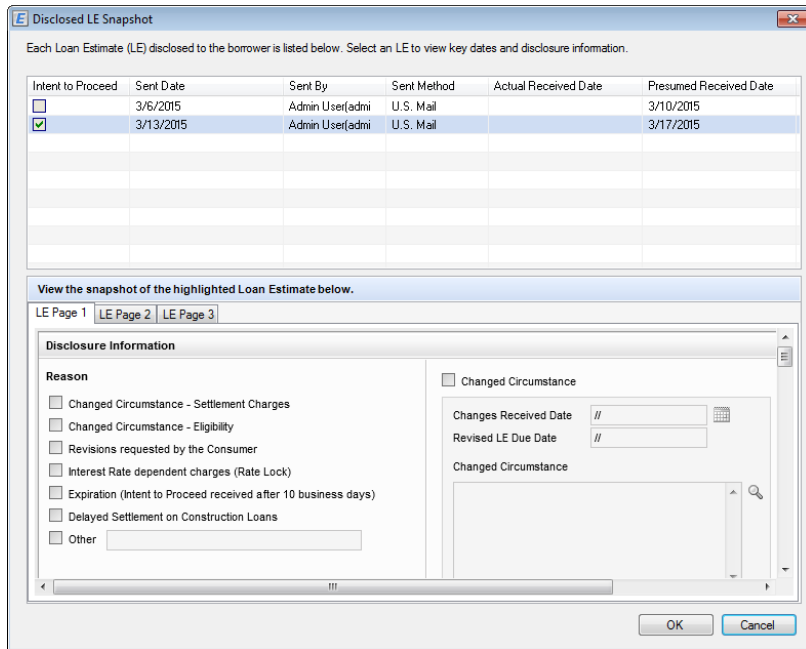
To View Disclosed Closing Disclosures:

1 When there is a difference between the fee amounts disclosed on the Loan Estimate and Closing Disclosure in a section, click the **Find** icon (magnifying glass) at the top of the CD Baseline column.

NOTE: *When there is no difference between the fee amounts disclosed on the Loan Estimate and Closing Disclosure,* **LE Baseline Used** *displays at the top of the CD Baseline column.*

2 The Disclosed CD Snapshot window opens and displays a list of disclosed Closing Disclosures.

3 To view read-only data from a Closing Disclosure, select a Closing Disclosure from the list and then click a tab in the lower section of the window to view data from a specific page on the Closing Disclosure.

Items that Cannot Decrease

This section lists the credits that are not allowed to decrease without an appropriate change in circumstance.

- Lender Credit is populated to the LE columns when the Loan Estimate is disclosed. The LE columns are updated if the Loan Estimate is redisclosed due to a changed circumstance caused by a rate lock change as indicated in the Disclosure Tracking tool by selecting the **Interest Rate dependent charges (Rate Lock)** check box on the **Reasons** tab in the disclosure's Disclosure Details window.

- Lender Credit is populated to the CD Baseline column when the Closing Disclosure is disclosed.

Fields at the bottom of the section display the following information for the total fee amounts for items that cannot decrease:

- **Variance between LE and Itemization** - The difference between the two amounts when the Total Lender Credit in the Itemization column is less than the Total Lender Credit in the LE Baseline column.

- **Variance between LE and CD (Disclosed)** - The difference between the two amounts when the Section J Credit (Disclosed) amount in the CD Baseline column is less than the Section J Credit (Disclosed) amount in the LE Baseline column.

- **Difference between CD and Itemization** - The difference between the two amounts when the Total Lender Credit in the Itemization column is less than the Total Lender Credit in the CD Baseline column.

NOTE: *The variance for the* **Items that Cannot Decrease** *section applies to the total amount for items in the section, not to the individual line entries. Individual line entries can change, but there is no variance if the total amount for the section does not decrease.*

Charges that Cannot Increase

The fees listed here cannot increase by any amount without an appropriate change in circumstance.

- Fees in the **Charges that Cannot Increase** section are updated when the Loan Estimate or Closing Disclosure is disclosed (or redisclosed).

Charges that Cannot Increase	Itemization #	Initial LE	LE Baseline	CD Baseline	Itemization
		03/13/2015	03/13/2015 🔍	LE Baseline Used	Current
A. Origination Charges	# 801	1,000.00	1,000.00	1,000.00	1,000.00
B. Services Cannot Shop For		667.50	667.50	667.50	667.50
C. Services Can Shop For (Paid to L/B/IVA)		0.00	0.00	0.00	32.00
E2. Transfer Taxes	# 1203	0.00	0.00	0.00	0.00
F4. Prepaid Property Taxes/Other	# 904, #907 - #912	0.00	0.00	0.00	0.00
Good Faith Baseline		1,667.50	1,667.50	1,667.50	1,699.50
Baseline Adjustment					
Net Good Faith Baseline		1,667.50	1,667.50	1,667.50	1,699.50
Disclosed Amount		1,667.50	1,667.50	3,313.50	
Variance between LE and Itemization			32.00		
Difference between LE and CD (Disclosed)				1,646.00	
Variance between CD and Itemization					32.00

Fields at the bottom of the section display the following information:

- **Good Faith Baseline** - The total amount for charges that cannot increase in each column.
- **Baseline Adjustment** - Free entry fields that allow users to adjust the LE Baseline and CD Baseline values. Use this field to adjust the baseline and variance amounts to compensate for hitchhiker fees. Hitchhiker fees are fees that have increased since the previous disclosure, but that you plan to remedy at a later time. If a redisclosure is issued for another reason, the hitchhiker fees are also redisclosed and the baseline is adjusted for the fees in this section, even though the variance for the fees has not yet been remedied. By entering the variance amount in the Baseline Adjustment fields, you can adjust the amounts in the related fields. Entering a Baseline Adjustment amount in the LE Baseline column reduces the Net Good Faith Baseline for the LE Baseline and increases the Variance Between LE and Itemization by the same amount. Entering Baseline Adjustment amount in the CD Baseline column reduces the Net Good Faith Baseline for the CD Baseline by the same amount.
- **Net Good Faith Baseline** - The Good Faith Baseline minus the Baseline Adjustment. The total amount for charges that cannot increase in each column, adjusted for the Baseline Adjustment when appropriate.
- **Disclosed Amount** - The total of the last disclosed amounts for the line items in this section for the Initial LE, LE Baseline, and CD Baseline columns.
- **Variance between LE and Itemization** - For fees that cannot increase, the difference between the two amounts when the fees currently listed on the 2015 Itemization exceeds the total for fees listed in the LE Baseline's Itemization snapshot.
- **Difference between LE and CD (Disclosed)** - The difference between the Disclosed Amount in the LE Baseline and CD Baseline columns.

- **Variance between CD and Itemization** - For fees that cannot increase, the difference between the two amounts when the total for fees currently listed on the 2015 Itemization exceeds the total for fees listed in the CD Baseline's Itemization snapshot.

Charges that in Total Cannot Increase More Than 10%

This section lists the fees that cannot increase by more than 10% in total. These rows are populated with line items from the 2015 Itemization for services that the borrower is allowed to shop for, but has opted not to shop for, and that are marked as Paid to Seller or Paid to Other.

- The LE columns are populated the first time the Loan Estimate is disclosed.
- The LE columns are updated when the Loan Estimate is redisclosed, if the Variance Amount (10%) field has a value greater than 0. If Variance Amount (10%) field has a value of 0 or less, then the LE column is not updated in this section and maintains its existing values.

Charges that in Total Cannot Increase More Than 10%	Itemization #	Initial LE	LE Baseline	CD Baseline	Itemization
		03/13/2015	03/13/2015 🔍	LE Baseline Used	Current
Government Recording Charges	# 1201	152.00	152.00	152.00	169.00
	#				
	#				
	#				
	#				

Fields at the bottom of the section display the following information:

- **Good Faith Baseline** - Total of the individual fee amounts listed in the Initial LE, LE Baseline, CD Baseline, and Itemization columns.
- **Baseline Adjustment** - Free entry fields that allow users to adjust the LE Baseline and CD Baseline values. Use this field to adjust the baseline and variance amounts to compensate for hitchhiker fees. Hitchhiker fees are fees that have increased since the previous disclosure, but that you plan to remedy at a later time. If a redisclosure is issued for another reason, the hitchhiker fees are also redisclosed and the baseline is adjusted for the fees in this section, even though the variance for the fees has not yet been remedied. By entering the variance amount in the Baseline Adjustment fields, you can adjust the amounts in the related fields. Entering a Baseline Adjustment amount in the LE Baseline column reduces the Net Good Faith Baseline for the LE Baseline and increases the Variance Between LE and Itemization by the same amount. Entering Baseline Adjustment amount in the CD Baseline column reduces the Net Good Faith Baseline for the CD Baseline by the same amount.
- **Net Good Faith Baseline** - The Good Faith Baseline minus the Baseline Adjustment. The total amount for charges that cannot increase in each column, adjusted for the Baseline Adjustment when appropriate.

- **Legal Limit (Baseline + 10%)** - The Good Faith Baseline amount in the Initial LE, LE Baseline, CD Baseline, and Itemization columns multiplied by 1.1 (the sum of all fees in each column plus 10%).

- **Disclosed Amount** - The total of the last disclosed amounts for the fees in the Initial LE, LE Baseline, and CD Baseline columns.

- **Variance between LE and Itemization** - The difference between the two amounts when the Good Faith Baseline amount in the Itemization column is larger than the Legal Limit (Baseline + 10%) amount in the LE Baseline column.

- **Difference between LE and CD (Disclosed)** - The difference between the Disclosed Amount in the LE Baseline and CD Baseline columns.

- **Variance between CD and Itemization** - The difference between the two amounts when the Good Faith Baseline amount in the Itemization column is larger than the Legal Limit (Baseline + 10%) amount in the CD Baseline column.

#				
#				
Good Faith Baseline	152.00	152.00	152.00	169.00
Legal Limit (Baseline + 10%)	167.20	167.20	167.20	167.20
Disclosed Amount	152.00	152.00	169.00	
Variance between LE and Itemization		1.80		
Difference between LE and CD (Disclosed)			17.00	
Variance between CD and Itemization				1.80

*NOTE: The variances and legal limit for the **Charges that in Total Cannot Increase More than 10%** section apply to the total fee amount rather than individual fees. For example, if the total for all fees in the section was disclosed as $500 on the Loan Estimate, total fees for the section would have to exceed $550 to be considered a tolerance violation. Individual fees in the section can increase by more that 10% as long as the total for all fees in the section does not exceed 10% of the total amount disclosed on the Loan Estimate.*

Charges that Can Change

This section lists the fees that can change without any reason, including the Initial Deposit for Escrow, the Per Diem Interest, and 2015 Itemization line items from the 900, 1000, 1100, and 1300 section for services that the borrower opted to shop for and that are marked as **Paid To Seller** or **Paid to Other**.

Fields at the bottom of the section display the following information:

- **Difference between LE and Itemization** - The difference between the LE Baseline and Itemization column totals.

- **Difference between LE and CD** - The difference between the LE Baseline and CD Baseline column totals.

- **Difference between CD and Itemization** - The difference between the CD Baseline and Itemization column totals.

Charges that Can Change		Itemization #	Initial LE	LE Baseline	CD Baseline	Itemization
			03/13/2015	03/13/2015	03/13/2015	Current
Initial Deposit for Escrow (excluding Aggregate Adjustment)		# 1001	0.00	0.00	0.00	0.00
Per Diem Interest	$ 23.44 /day	# 901	421.92	421.92	421.92	421.92
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		#				
		Total	421.92	421.92	421.92	421.92
Difference between LE and Itemization				0.00		
Difference between LE and CD					0.00	
Difference between CD and Itemization						0.00

Total Good Faith Amount

This section displays the following fee totals:

- The amounts recorded in the 2015 Itemization, Loan Estimate, and Closing Disclosure for the total fees in each of the following three categories:
  - Charges that Cannot Increase
  - Charges that in Total Cannot Increase More Than 10%
  - Charges that Can Change

Total Good Faith Amount	Initial LE	LE Baseline	CD Baseline	Itemization
	03/13/2015			Current
Items that Cannot Decrease	10.00	10.00	10.00	10.00
Charges that Cannot Increase	1,667.50	1,667.50	1,667.50	1,699.50
Charges that in Total Cannot Increase More Than 10%	152.00	152.00	152.00	169.00
Good Faith Amount (Charges)	1,819.50	1,819.50	1,819.50	1,868.50
Good Faith Limit	1,834.70	1,834.70	1,834.70	1,834.70
Variance between LE and Itemization		33.80		
Difference between LE and CD (Disclosed)			1,663.00	
Variance between CD and Itemization				33.80

- The **Total Charges** (the combined sum) for the three categories listed above as recorded in the 2015 Itemization, the Loan Estimate, and the Closing Disclosure.

- The **Total Legal Limit** shows the maximum allowable amount that can be charged for all fees without exceeding the allowable variance. This figure is calculated at 1.1 multiplied by the Total Charges in each column (the sum of all fees in each column plus 10%).
- The **Variance Amount Itemization and LE** field is the Total Legal Limit from the LE column minus the Total Charges from the Itemization column. This column compares any changes made to the 2015 Itemization to the currently disclosed Loan Estimate.
- The **Variance Amount LE and CD** field is the Total Legal Limit from the CD column minus the Total Charges from the LE column.

Fields at the bottom of the section display the following information:

- **Variance between LE and Itemization** - The total of the Variance between LE and CD fields for Items that Cannot Decrease, Charges that Cannot Increase, and Charges that in Total Cannot Increase More Than 10%.
- **Difference between LE and CD (Disclosed)** - The total of the Difference between LE and CD (Disclosed) fields for Items that Cannot Decrease, Charges that Cannot Increase, and Charges that in Total Cannot Increase More Than 10%.
- **Variance between CD and Itemization** - The total of the Variance between CD and Itemization fields for Items that Cannot Decrease, Charges that Cannot Increase, and Charges that in Total Cannot Increase More Than 10%.

Fees That Could Be Included in More Than One Section
Some fees could potentially be listed in several sections. For example, if a borrower can shop for a fee, the fee would be listed in a different variance section depending on whether or not the borrower opts to shop for the service. These fees are populated into sections based on the following circumstances:

- If only the Loan Estimate has been disclosed, the fee is categorized based on the 2015 Itemization selections made when the Loan Estimate was disclosed.
- If the Closing Disclosure has been disclosed, the fee is categorized based on the 2015 Itemization selections made when the Closing Disclosure was disclosed.
- As the Loan Estimate and Closing Disclosure are disclosed to the borrower (or when these disclosures are included in or excluded from the timeline in the Disclosure Tracking Tool) fees can move between sections. In particular, services that borrowers can shop for can move between sections based on whether the borrower decides to shop for the service and the party to whom the fee is being paid.

Example of How *Can Shop for* Fees Move Between Sections
This example describes how the Title Closing Fee on line 1102b can move between sections on the Fee Variance Worksheet. The **Borrower can shop for** check box is selected in the Fee Details window before the fee is disclosed on the Loan Estimate.

NOTE: This is a scenario for a specific fee. Other fees may or may not move between sections during the disclosure process.

- If the Paid to selection for the fee is blank, **Lender**, **Investor**, **Affiliate**, or **Broker**, the fee is listed in the **Charges that Cannot Increase** section.
- If the **Paid to** selection for the fee is **Other** or **Seller**, the fee is listed in the **Charges that in Total Cannot Increase by More Than 10%** section.
- As long as the **Borrower did shop for** check box is not selected, the fee remains in the same section described above when the Closing Disclosure is disclosed.
- If the **Borrower did shop for** check box is selected later:
  - If the **Paid to** selection for the fee is blank, **Lender**, **Investor**, **Affiliate**, or **Broker**, the fee is listed in the **Charges that Cannot Increase** section.
  - If the **Paid to** selection for the fee is **Other** or **Seller**, the fee is listed in the **Charges that Can Change** section.
- When a fee moves to a different section:
  - The existing entry is retained. Any values that were previously disclosed in the Initial LE, LE Baseline, and CD Baseline columns remain unchanged, but the value in the Itemization column is blank to indicate that the fee was moved to a different section.
  - A new entry is created in the section to which the fee was moved. The fee amount displays in the Itemization column. Blank values in the Initial LE, LE Baseline, and CD Baseline columns indicate that the fee was added after sending the disclosures that display a blank value.
  - If a fee is removed from the 2015 Itemization altogether, the existing entry is retained, but the values in the Initial LE, LE Baseline, CD Baseline, and Itemization columns are all set to **0**, and the Itemization column is blank.

Fees Added After Sending Disclosures

When a fee is added to the 2015 Itemization after the Loan Estimate has been disclosed:

• A new entry is created in the Fee Variance Worksheet.

• The options selected in the Fee Details window determine the section in which the fee is listed.

• The information currently entered in the 2015 Itemization is used to populate the fee description and the fee amount populated in the Itemization column.

• Blank values in the Initial LE, LE Baseline, and CD Baseline columns indicate that the fee was added to a section based on options selected in the 2015 Itemization, but was not included in the disclosures that display a blank value.

Tolerance Cure

The Tolerance Cure section displays the amount of a required tolerance cure and provides fields where you can enter information about how the how the tolerance cure was resolved.

To Record the Cure:

1 Enter the Applied Cure Amount.

2 When a tolerance cure is being applied as a lender credit, enter the amount in the **Cure applied to Lender Credit** field.

3 When a tolerance cure is being applied as a post-consummation principal reduction paid outside closing (POC), enter the amount in the **Cure applied to Principal (POC)** field (field ID FV.X397).

4 Select or type the Date when the tolerance violation was cured.

• The **Resolved by** field is automatically populated with the Encompass user name of the individual who enters the amount.

5 Enter a description of the cure in the Comments field.

Sample 2015 RESPA-TILA Workflows

As discussed earlier, the RESPA-TILA Integrated Mortgage Disclosures rule changes the disclosure process for mortgage loans. Encompass includes the following new forms as a result of the rule:

• The 2015 Itemization replaces the 2010 Itemization. Line entries for fee are similar to the 2010 Itemization, but a new Fee Details pop-up window enables entry of more detailed information for each fee.

• The Loan Estimate and RegZ-LE forms replace the 2010 GFE and REGZ-TIL disclosure forms. (The RegZ-LE is used to enter information specific to interest-only and ARM loans.)

• The Closing Disclosure and RegZ-CD forms replace the 2010 HUD-1 and Closing REGZ disclosure forms. (The RegZ-CD is used to enter information for interest-only and ARM loans.)

• The Fee Variance Worksheet enables user to view disclosed fees and fees currently entered on the 2015 itemization and to identify any increases in fees that may trigger a good faith variance violation.

The following sample workflow demonstrates how to complete the 2015 Itemization and the Loan Estimate forms, and how fee data flows across the 2015 RESPA-TILA forms.

In addition to the sample workflow on the following page, this Appendix also provides a sample loan activities that you can use to familiarize yourself with the 2015 RESPA-TILA forms and features. The loan file and screenshots used here are modeled after a sample file provided by the CFPB (Consumer Financial Protection Bureau). Once you have completed this workflow, you can compare your experience with this sample workflow with the matching sample loan file provided by the CFPB on your own.

Information Flow Between Forms

The diagram below shows the flow of fee data across the 2015 RESPA-TILA forms and tools.

Itemization

Use the Itemization form to enter itemized borrower and seller fees. Open the **Fee Details** window for a fee to enter or edit additional fee details.

Loan Estimate

Fees from the 2015 Itemization are copied to the Loan Estimate or are used to populate summarized or calculated entries on the form. If you are working with an Interest Only or Adjustable Rate Mortgage loan, complete those sections on the RegZ-LE input form.
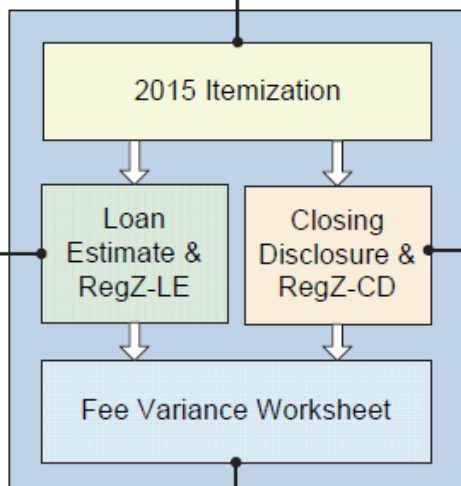
Closing Disclosure

Fees from the 2015 Itemization are copied to the Closing Disclosure or are used to populate summarized or calculated entries on the form. If you are working with an Interest Only or Adjustable Rate Mortgage loan, complete those sections on the RegZ-CD input form.

2015 Itemization → Loan Estimate & RegZ-LE → Fee Variance Worksheet
2015 Itemization → Closing Disclosure & RegZ-CD → Fee Variance Worksheet

Fee Variance Worksheet

Use the Fee Variance Worksheet to compare the result of changes in fees associated with disclosures. The form includes columns for the following fee information:
- Fees from the initial Loan Estimate
- Fees on the Loan Estimate being compared with the Closing Disclosure (the fees in this column might come from different Loan Estimates if more than one version was disclosed).
- Fees on the Closing Disclosure
- Fees currently entered in the 2015 Itemization

When all disclosures are sent, the worksheet calculates tolerance violations and lets you enter a cure amount and a description of the cure.

Additional Resources

Online Help Topics: 2015 Itemization, Loan Estimate Page 1, Loan Estimate Page 2, Loan Estimate Page 3, Closing Disclosure Page 1, Closing Disclosure Page 2, Closing Disclosure Page 3, Closing Disclosure Page 4, Closing Disclosure Page 5, Fee Variance Worksheet.

Workflow

Use the 2015 RESPA-TILA forms and tools to complete the tasks shown below.

Complete the 2015 Itemization and Loan Estimate Forms

Fees on the 2015 Itemization form are used to populate entries on the Loan Estimate and Closing Disclosure. Click the icon to the left of a fee line to open the Fee Details window and enter detailed information about the fee, including the entities who are paying the fee, the amount paid by each entity, and the portions that falls into different payment categories.

Disclose the Loan Estimate

On the Loan Estimate, review data and change editable fields as needed. On page 1 enter the LE Date Issued. On page 2 manually enter adjustments and other items as needed, for example gift funds. On page 3 click the **Get Late Fee** button (if not already done on other forms), and select the options to use in the disclosures. When finished, send the required initial disclosure documents to the borrower.

Adjust Fees and Redisclose When Needed

After the initial disclosure, record fee changes on the 2015 Itemization. The information is copied to the Loan Estimate and Closing Disclosure. A redisclosed Loan Estimate must be issued under a specific set of conditions defined in the TILA-RESPA Integrated Disclosures rule (§1026.19(f)(2)).

Send Pre-Closing Disclosures

Review the Closing Disclosure. On page 1 complete the Closing Information and Loan Information. On page 3 enter the Total Closing Costs (J) and Seller Credits, and complete the Summaries of Transactions. For a loan with no seller, verify the VOLs. On page 4 edit information as needed. If the interest rate or principal/interest can increase after consummation, select options (when appropriate) for Step Payments and Seasonal Payments on the AP table and adjust the rate change information on the AIR table. When finished, order pre-closing disclosure packages by clicking the **Order Documents** button on the RegZ-CD input form, and then selecting the pre-closing option.

Cure Tolerances

The Fee Variance Worksheet compares disclosed Loan Estimate and Closing Disclosure fees and calculates whether the tolerance has been exceeded. To cure a tolerance, enter the applied cure amount, the date, and comments describing the cure in the Tolerance Cure section.

Order Closing Documents

Order closing documents by clicking the **Order Documents** button on the RegZ-CD input form, and then selecting the pre-closing option.

Working With Sample RESPA-TILA Forms

This chapter provides a sample workflow that you can use to familiarize yourself with the 2015 RESPA-TILA forms and features. The loan file and screenshots used here are modeled after a sample file provided by the CFPB. Once you have completed this workflow, you can compare your experience with this sample workflow with a sample loan file provided by the CFPB on your own.

Use 2015 RESPA-TILA Forms

After you start a new loan file, ensure that the loan is using the 2015 RESPA-TILA forms.

To Use the 2015 RESPA-TILA Forms:

1 On the menu bar, click **Forms**.

2 At the top of the menu list, point to **RESPA-TILA Form Version**, and then click **RESPA-TILA 2015 LE and CD** to use the 2015 version of input forms including the 2015 Itemization and Loan Estimate among others.

   • If the RESPA-TILA 2015 LE and CD option is already selected (a green check mark displays to the left of this option), then the loan is already using the 2015 RESPA-TILA forms.

The Forms tab is updated to show the 2015 forms:
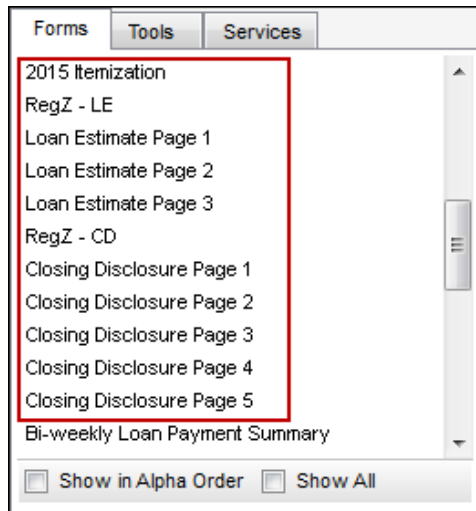
2015 Itemization Form

Just like the 2010 version, the 2015 Itemization form provides details of closing costs and other charges that must be satisfied before the loan closes. These fees are entered on the 2015 Itemization form and are used to populate the fee entries on the Loan Estimate and Closing Disclosure input forms. In the same way that fees entered on the 2010 Itemization were populated to the Good Faith Estimate (GFE), the fees entered on the 2015 Itemization are populated to the Loan Estimate. The common loan origination workflow starting with the Borrower Summary – Origination, to the 1003, to the 2015 Itemization, to the RegZ-LE (which replaces the REGZ-TIL) can still be used.

The fees listed on the 2015 Itemization are nearly identical to those listed on the 2010 Itemization. A new feature in the 2015 Itemization is a series of Fee Details pop-up windows that enable you to enter detailed information about each fee, including the entities who are paying the fee in part or in whole (Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and the portion of the payment that falls into different payment categories, such as Financed, Paid at Closing (PAC), Paid Outside Closing (POC), and Paid Through Closing (PTC). These pop-up windows are accessible by clicking an icon ⬀ to the left of the fee entry on the 2015 Itemization.

The following loan activities are described to provide an understanding of how data entered here is populated to the Loan Estimate:

• Review the data entered in the 800 section and see where it's populated on the Loan Estimate - Page 2

• Enter Discount Points

• Enter Lender Credit

• Enter Seller Credit

• Select a *Shop For* Indicator

• Indicate Escrowed Fees

• Enter POC

To Compare Fees on the 2015 Itemization and Loan Estimate:

1 In the 800 section of the 2015 Itemization, notice the fees entered there:

2 In the Forms tab, click **Loan Estimate - Page 2**.

3 Notice the same fees have been populated to Section A of the Loan Estimate Page 2.

To Enter a Discount Point Adjustment:

1 On the **Forms** tab, click **2015 Itemization** to return to the 2015 Itemization.

2 In the Origination / Discount Point Adjustment section of line 802, enter 1.000 in the Origination Points % field (field ID NEWHUD.X1150) to apply one (1) discount point.

3 Next, on the Forms tab, click **Loan Estimate Page 2**.

4 Note that the one Discount Point was populated to the line 1 in Section A of the Loan Estimate - Page 2.

To Enter a Lender Credit:

For this part of the activity, you'll apply a lender credit to pay for a title fee. Note that starting with the RESPA-TILA rule, you are no longer required to apply lender credits starting with the 800 section (i.e., "from the top down"). You may apply lender credits to any fee in the 2015 Itemization.

1 On the Forms tab, click **2015 Itemization**.

2 In the 1100 - Title Charges section, click the **Fee Details** icon for line 1101a Title-Courier Fee.

• The Fee Details pop-up window displays. Entering or editing a fee in the pop-up window updates the information for the associated fee on the 2015 Itemization and vice versa.

• Notice that the Borrower-paid amount is automatically populated to the PTC field.

3 To apply the Lender credit of $32, enter *32* in the Lender PAC field, and then click outside the field.

• Notice that the $32 fee was removed from the Borrower PTC field and is now shown as being paid by the Lender.

To Enter Seller Credit:

1 Still in the Fee Details pop-up window, enter *32* in the Seller-paid field (field ID NEWHUD.X953), and then click outside the field.

2 Notice that by entering an amount in the Seller field, the Seller Credit check box is selected automatically.

3 To indicate the fee is Seller obligated, select the **Seller Obligated** check box. Now you've indicated that the fee is being split by the Borrower and the Seller, where the Lender is paying the Borrower's portion, and the Seller is obligated to pay their portion.

To Select a Shop For Indicator:

There are certain sections on the 2015 Itemization, specifically the 900, 1100, and 1300 sections, where you can indicate services that the Borrower can shop for and services that the Borrower did shop for. You can also make this indication in the Fee Details pop-up window.

1 Still in the Fee Details pop-up window, select the **Borrower can shop for** check box.

• Notice that making this selection automatically moved the fee from the B section of the Loan Estimate - Page 2 to the C section of the Loan Estimate - Page 2.

2 Click **Close** to close the Fee Details pop-up window.

To Indicate an Escrowed Fee:

The Fee Details pop-up windows for lines 1002 and 1004-1010 have an Escrowed check box that can be selected to include the fee in the Estimated Escrow amount that displays in the Projected Calculation section on the Loan Estimate Page 1 and Closing Disclosure Page 1 input forms.

1 On the 2015 Itemization, locate the 1000 -Reserves Deposited with Lender section.

2 Click the **Fee Details** icon for line 1002 (Homeowner's Insurance).

3 Select the **Escrowed** check box.

4 Click **Close** to close the Fee Details pop-up window.

5 Click the **Fee Details** icon for line 1004 (Property Taxes).

6 Select the **Escrowed** check box.

7 Click **Close** to close to Fee Details pop-up window.

To Enter POC Paid by the Borrower:

1 Click the **Fee Details** icon for line 805 (Credit Report Fee).

2 Enter *30* into the Borrower POC field, and then click outside the field.

- Note that the fee is cleared from the PTC field and now displays in the Borrower POC and the Amount Paid fields.

Loan Estimate (LE)

Now that you've entered your fees on the 2015 Itemization, this section focuses on the Loan Estimate (LE) and where those Itemization fees have been populated.

The Loan Estimate input forms (pages 1-3) enable you to review, edit, or enter information that is populated to the Loan Estimate output form that is provided to the borrower no later than the third business day after the loan application is received.

The following loan activities are described to provide an understanding of how data entered here is populated to the Loan Estimate.:

- Review the Loan Estimate (Pages 1-2).

- Enter ARM loan details on the RegZ - LE.

- Review the Adjustable Payment (AP) and Adjustable Interest Rate (AIR) tables on the Loan Estimate Page 3.

To View the Loan Estimate Page 1:

1 On the Forms tab, click **Loan Estimate Page 1**.

2 Notice the LE Date Issued in the Loan Details section.

3 Review the disclosure information, including lender information, loan details, loan terms, the projected calculation for estimated payments (including estimated monthly taxes, insurance, assessments, and a balloon payment, if applicable), and the costs at closing.

To View the Loan Estimate Page 2:

1 On the Forms tab, click **Loan Estimate Page 2**.

2 Review loan costs paid by the borrower, seller, and others at and before closing.

- Information on this form is populated from the 2015 Itemization form. The fees are grouped into two columns: Loan Costs and Other Costs.
- Discount Points entered on the 2015 Itemization are always populated to the first line in Section A.
- Lender fees entered as a Lender Credit on the 2015 Itemization are populated to Section J.
- Escrowed items on the 2015 Itemization are populated to section G.

To Enter Additional ARM Information:

The RegZ-LE provides an overall view of the terms of the loan and its costs over time. Changes to fields on the RegZ-LE are reflected on the 1003 and Loan Estimate input forms as appropriate. Just as you add additional data for Interest Only and ARM loans on the 2010 REGZ-TIL input form, you will now enter this data on the RegZ-LE.

1 On the **Forms** tab, click **RegZ - LE**.

2 In the Adjustable Rate Mortgage section, enter the following values:

- 2% Adjustment Cap
- 36 month Adjustment Period
- 4% margin

3 Note that the Interest Only field indicates 60 months (i.e., 5 years).

4 On the Forms tab, click **Loan Estimate Page 1** to return to the Loan Estimate.

5 In the Loan Details, Loan Terms, and Projected Payments sections, the ARM data entered on the RegZ - LE has been applied.

6 On the Forms tab, click **Loan Estimate Page 2**.

7 The ARM data from the RegZ - LE has been applied to the AP and AIR tables

To View the Loan Estimate Page 3:

On the Loan Estimate Page 3 you can:

• Review and edit contact information for the lender and mortgage broker.

• Review comparisons of the APR and the borrower's principal and interest payments for the first five years of the loan.

• Review other considerations that will be disclosed to the borrower.

1 On the Forms tab, click **Loan Estimate Page 3**.

2 In the Other Considerations section, select the options to be used in the disclosures. This section of the LE is similar to the Additional Disclosures section that prints to the 2010 REGZ-TIL output form.

• For example, if you are disclosing the Section 35 Appraisal separately from the LE, select Omit from print to omit the appraisal language from the printed LE output form.

  • Indicate the Assumption language to print to the LE output form.

  • If the loan does not require homeowner's insurance, select Omit from print to omit the homeowner's insurance language from the printed LE output form.

3 Click the **Get Late Fee** button to populate the Late Payment information.

  • Notice that this area includes the minimum and maximum late payment information, and the total late payment amount.

  • All of this late payment information prints to the Late Payment section of the printed LE output form and the applicable disclosures.

4 In the Servicing and Construction Loan sections, indicate the language to print to the LE output form.

Disclose the Loan Estimate

In this activity you will disclose the Loan Estimate to the Borrower and then view the disclosure details within the disclosure entry in the Disclosure Tracking tool.

• Generate Disclosures and Disclose the LE (LE Printed Output Form)

• Create a Document Tracking entry

• View Disclosure Details

• Indicate Borrower's Intent to Proceed

• Review the LE Printed Output Form

For the purposes of this activity, you will simulate disclosing the LE by manually printing the Loan Estimate and adding a Disclosure Tracking entry to the Disclosure Tracking tool.
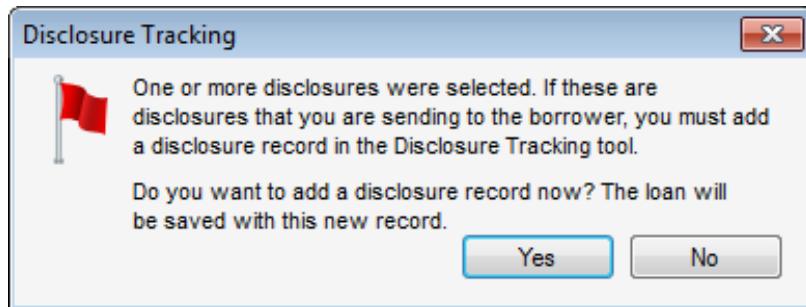
When working in an actual production environment, you can disclose the LE electronically or by printing and delivering the LE (either via USPS or in person) to the Borrower.

To Disclose the LE and Create a Document Tracking Entry:

For the purposes of this activity, you will simulate disclosing by printing the LE and adding a Disclosure Tracking entry to the Disclosure Tracking tool.

When working in your production environment, you can redisclose the LE electronically or by printing and delivering the updated LE (either via USPS or in person) to the Borrower

1   From the Loan Estimate Page 3, click the **Print** icon on the upper-right.

2   On the Print window, click the **Standard Forms** tab and then select the **Loan Estimate** form.

3   From the Options list, select one of the three printing options.

4   Click **Print** to send the forms directly to a selected printer.

   • Or, to save the form as a PDF file, click **Print to File** and then select a location where the PDF will be saved.

5   When the confirmation message prompts you to create an entry in the Disclosure Tracking tool, click **Yes**.

NOTE: Whether or not the Disclosure Tracking prompt displays when you print or preview a form is defined by your system administrator on the Disclosure Tracking Settings tool.

To View Disclosure Details

1   From the Loan Estimate Page 3, click the **Disclosure Tracking** link in the upper-right corner of the form.

   • The disclosure entry for the LE is listed in the Disclosure History table.

2   In the Disclosure History table, double-click to open the disclosure tracking entry.

3   Use the Disclosure Details window to track disclosure dates and view disclosure details.

4   When prompted to select a disclosure type, select **Disclosure**, and then select **LE**.

   • The Borrower Presumed Received Date and Co-Borrower Presumed Received Date are automatically calculated based on your company's Compliance Calendar settings. The only time these dates are not automatically calculated is when the Sent Method is In Person.

• Select **In Person** from the Sent Method drop-down list.

• Note that the Presumed Received Dates are cleared and the Actual Received Date is updated with the current day's date.

To Indicate Borrower's Intent to Proceed:

1 For this activity, the Borrower has given you their acknowledgment to proceed with the loan. Select the **Intent to Proceed** check box.

2 Type or select a new Intent to Proceed date.

3 Select In Person from the Received Method drop-down list. .

4 Additional comments can be entered manually in the Comments field.

5 Click **OK** to close the Disclosure Details window.

Review the Loan Estimate Printed Output Form

On the LE printed output form, review pages 1 through 3 and review the loan details

When working in an actual production environment, you can redisclose the LE electronically or by printing and delivering the updated LE (either via USPS or in person) to the Borrower.

Lock the Interest Rate

In this activity you will lock the interest rate for the loan. By default this triggers an Interest Rate Lock Redisclosure Alert to notify you that you must redisclose the LE due to this update.

• Lock the interest rate

• Review the Interest Rate Lock Redisclosure Alert

• Review Rate Lock Information on Loan Estimate Page 1

• Review Sample Loan Estimate Printed Output Form Being Redisclosed

• Redisclose the Loan Estimate (Rate Locked In)

To Lock the Interest Rate:

1 Click the **Forms** tab, and then click **Borrower Summary - Origination**.

2 In the lock details section near the bottom of the form, enter today's date in the Lock Date field.

3 Enter 30 for the # of Days.

   • The Lock Expires date is automatically populated based on # of Days.

Lock Date	01/20/2015
# of Days	30
Lock Expires	02/18/2015

4 Select the **Rate is Locked** check box.

5 Click the **Save** icon.

6 The Interest Rate Lock Redisclosure alert is triggered. Click the **View Details** button to view the alert details.

To Review Rate Lock Information on Loan Estimate Page 1:

1 On the Forms tab, click **Loan Estimate Page 1**.

2 Locate the rate lock information in the Loan Details section of the form.

   • The lock information entered on the Borrower Summary - Origination form is populated to this section of the Loan Estimate Page 1.

Rate Lock	✓ Yes	Locked Date	01/21/2015
		Lock Expiration Date	02/18/2015
		at	5:00 PM	EST

Closing Costs Estimate Expiration Date

01/21/2015 a 5:00 PM EST

Review the Loan Estimate Printed Output Form (for Redisclosure)

For the purposes of this activity, you will simulate "redisclosing" by printing the LE and adding a Disclosure Tracking entry using the Disclosure Tracking tool.

When working in your production environment, you can redisclose the LE electronically or by printing and delivering the updated LE (either via USPS or in person) to the Borrower.

To Redisclose the Loan Estimate (Rate Locked In)

1 From the Loan Estimate Page 3, click the **Print** icon on the upper-right.

2 On the Print window, click the **Standard Forms** tab and then select the **Loan Estimate** form.

3 From the Options list, select one of the three printing options.

4 Click **Print** to send the forms directly to a selected printer.

   • Or, to save the form as a PDF file, click **Print to File** and then select a location where the PDF will be saved.

5 When the confirmation message prompts you to create an entry in the Disclosure Tracking tool, click **Yes**.

Disclosure Tracking

One or more disclosures were selected. If these are disclosures that you are sending to the borrower, you must add a disclosure record in the Disclosure Tracking tool.

Do you want to add a disclosure record now? The loan will be saved with this new record.

[Yes] [No]

NOTE: Whether or not the Disclosure Tracking prompt displays when you print or preview a form is defined by your system administrator on the Disclosure Tracking Settings tool.

6 On the printed output form, notice the Rate Lock information is printed to the top of the form.

To View Disclosure Details

1 From the Loan Estimate Page 3, click the **Disclosure Tracking** link in the upper-right corner of the form.

- The most recent disclosure entry for the LE is listed at the top of the Disclosure History table.

2 In the Disclosure History table, double-click to open the disclosure tracking entry.

3 Use the Disclosure Details window to track disclosure dates and view disclosure details.

Change the Loan from I/O ARM to I/O Fixed Rate

In this activity you will change the loan terms from an Interest Only ARM to an Interest Only Fixed Rate loan. As a result of this change, you will enter the Changed Circumstance details, and then redisclose the LE.

- Update the Loan Terms
- Review AP and AIR Tables on Loan Estimate Page 2.
- Document Changed Circumstance
- Review Sample Loan Estimate Printed Output Form Being Redisclosed
- Redisclose the Loan Estimate (Changed Circumstance Product Change)
- View Disclosure Details

To Change the Loan From I/O ARM to I/O Fixed Rate

1 On the **Forms** tab, click **Borrower Summary - Origination**.

2 In the Amortization Type section, select **Fixed Rate**.

3 Confirm that the Interest Only section is still set to 60 months.

4 On the Forms tab, click **Loan Estimate Page 1**.

5 Note the Loan Details have been updated with the new 5-Year Interest Only Fixed Rate information.

6 Review the Loan Terms and note that the ARM details have been removed from the Can this amount increase after closing? Interest Rate section and the Projected Payments table now reflects the Interest Only Fixed Rate information.

To Review AP and AIR Tables:

1 On the Forms tab, click **Loan Estimate Page 2**.

2 Scroll to the bottom of the form and review the AP Table.

• Notice that the AP Table has been updated based on the Fixed Rate and the AIR table no longer displays since it does not apply to Fixed Rate loans.

• The AP Table is always displayed for all loans. Since Encompass does not define seasonal payments, the Seasonal Payments field in the AP Table is required in order to originate a loan with seasonal payments. When you select Yes from the **Seasonal Payments** drop-down list, the Monthly Principal and Interest Payments fields are activated and can be edited.

To Document Changed Circumstance:

1 On the Forms tab, click **Loan Estimate Page 1**.

2 Select the **Changed Circumstance** check box.

3 In the Reason section, select **Changed Circumstance - Eligibility**.

4 Click the **Lookup** icon (magnifying glass), select Loan type or loan program has changed, and then click **OK**.

5 In the Comments field, enter Changed loan from ARM to 5 Year Interest Only Fixed Rate.

To Redisclose the Loan Estimate (Changed Circumstance Product Change):

For the purposes of this activity, you will simulate "redisclosing" the LE manually by creating a Disclosure Tracking entry using the Disclosure Tracking tool.

When working in your production environment, you can redisclose the LE electronically or by printing and delivering the updated LE (either via USPS or in person) to the Borrower. For your reference, here is a sample copy of the updated LE being redisclosed.

1 On the Loan Estimate Page 1, click the **Disclosure Tracking** link in the upper-right corner of the form.

2 In the Disclosure Tracking tool, locate the Disclosure History table near the bottom of the tool, and then click the **New** icon to manually add a disclosure entry.

3 When prompted to select a disclosure type, select Disclosure, and then select LE.

4 Click **OK**.

5 The disclosure entry is added to the Disclosure History table.

Review the Redisclosed Loan Estimate Printed Output Form:

To review the areas on the Loan Estimate printed output form that have changed since the initial disclosure, you can print the form or preview the form.

- On the printed output form, notice the loan Product information and updated Interest Rate information is printed to Page 1 of the form.

- On the printed output form, notice that updated Adjustable Payment (AP) Table is printed to Page 2 of the form.

- On the printed output form, notice that updated Annual Percentage Rate (APR) and Total Interest Percentage (TIP) information is printed to Page 2 of the form.

To View Disclosure Details:

1 Click the **Tools** tab, and then click **Disclosure Tracking**.

2 In the Disclosure History table, double-click to open the entry.

3 Click the **Reasons** tab.

- Note the Changed Circumstance information entered on the LE Page 1 is populated in the Disclosure Tracking entry.

4 Click the **Details** tab.

5 Click the **LE Snapshot** button to view a read-only copy of the last disclosed LE. To compare this LE data with the data entered on the initially disclosed LE, open that tracking entry, and then click the **LE Snapshot** button.

6 Click **Close** to close the LE Snapshot, and then click **OK** to close the Disclosure Details window.

Work with the Closing Disclosure (CD)

For this activity, let's say you have received final approval from the underwriter and you're ready to move the loan to Closing. Here you will review the data populated to the Closing Disclosure (CD) from the 2015 Itemization and the last disclosed Loan Estimate.

The Closing Disclosure input forms (pages 1-5) enable you to review, edit, or enter information that is populated to the Closing Disclosure output form that is provided to the borrower at least three business days prior to consummation.

• Review the Closing Disclosure (pages 1 - 5)

   • Set up Aggregate Escrows on CD Page 4

• Review Sample Closing Disclosure Printed Output Form

To View the Closing Disclosure Page 1:

1 On the **Forms** tab, click **Closing Disclosure Page 1**.

2 Note the information entered for the Changed Circumstance on the LE Page 1 is reflected on the CD Page 1.

• Here you can also:

   • Complete the Closing Information and Loan Information sections.

   • Review and edit the Transaction Information section.

   • Review the loan terms, projected calculations (for estimated payments, the final balloon payment, if any, and the estimated monthly taxes, insurance, and assessments), and costs at closing

To View the Closing Disclosure Page 2:

1 On the Forms tab, click **Closing Disclosure Page 2**.

2 Review the Loan Costs and Other Costs paid by the borrower, seller, and others at and before closing. Information on this form is populated from the 2015 Itemization form and cannot be edited.

• Note the 1.000 Discount Point entered on the 2015 Itemization is populated to the first line in Section A of the CD Page 2.

- In Section B Services Borrower Did Not Shop For, the Credit Report fee that you added as a POC on the 2015 Itemization is populated in the Borrower-Paid Before Closing Column and the Title - Courier Fee that you split between the Seller and the Lender on the 2015 Itemization is indicated along with all the Title Fees that you indicated as Borrower Did Shop for on the 2015 Itemization.

- Notice that the Lender-paid fee is indicated in the Paid by Others column, while the Seller-obligated fee is indicated in the Seller-Paid (At Closing) column.

To View the Closing Disclosure Page 3:

1 On the Forms tab, click **Closing Disclosure Page 2**.

2 The fields provided on this form are very similar to the fields provided on the 2010 HUD-1 Page 1. Review the Calculating Cash to Close and Summaries of Transaction information that will be populated on the Closing Disclosure output form.

- When calculating Cash to Close, the data from the last disclosed LE is always populated to the Loan Estimate column. The data from the CD Page 2 is always populated to the Final column.

- The Summaries of Transactions section on the CD Page 3 is presented in the same way as it is on the 2010 HUD-1 Page 1. Additional fields are provided here as well.

- The cash required form the Borrower as displayed in the Calculation section at the bottom of the form matches the Cash to Close amount populated in the Final column in the Calculating Cash to Close section at the top of the form.

To View the Closing Disclosure Page 4 and Set Up Aggregate Escrows):

1 On the Forms tab, click **Closing Disclosure Page 4**.

2 Review the assumption, demand feature, late payment, negative amortization, partial payments, and security interest information.

3 At this point in the activity, you have indicated the Homeowner's Insurance and Property Taxes as escrowed, but you have not completed the Aggregate Setup. Therefore, in the Loan Disclosures - Escrow section, the For Now, your loan will not have an escrow account because check box is selected by default. To complete the Aggregate Setup and indicate that this fee is escrowed, click the **Aggregate Setup** button.

4 Here you can disburse Tax, Hazard Insurance, and Mortgage Insurance. To indicate you're going to disburse the Tax for 6 months, enter 6 in the due date field as shown above. Then, enter 6 in the due date field as shown above for the Hazard Insurance.

5 To indicate a 12 month disbursement of Mortgage Insurance, enter 1 in the first due date field, and then enter 1 in the next 12 due date fields as shown above.

6 Click **OK**.

- The For Now, your loan will have an escrow account check box is automatically selected, and the Escrowed Totals, along with the Initial and Monthly Escrow Payment fields are updated.

NOTE: If you indicate Tax and Insurance fees in the 1000 section of the 2015 Itemization but are not escrowing these fees, Encompass will calculate the Estimated Property Costs over Year 1 and indicate the loan does not have an escrow account. You must select a check box here to indicate the reason why.

To View the Closing Disclosure Page 5:

1 On the Forms tab, click **Closing Disclosure Page 5**.

2 Review important loan calculation figures, review and edit information about whether state law protects the borrower from liability for the unpaid balance of the loan.

3 Review and edit important contact information for the loan.

Review the Closing Disclosure Printed Output Form:

To review the Closing Disclosure Estimate printed output form, you can print the form or preview the form.

On the printed output form (or in Print Preview), notice that updated escrowed items are reflected on page 4 of the Closing Disclosure.

Work with the RegZ - CD

For this activity, you will review the RegZ - CD form that is used primarily to review loan information, to edit information about specific types of loans (for example, ARM or Interest Only mortgages), and to order closing documents. You will notice it is very similar to the 2010 Closing RegZ.

The RegZ - CD form provides the borrower with an overall view of the terms of the loan and its costs over time. It also contains information specific to the requirements for requesting closing documents. Many of the fields will already be completed, based on entries on the 1003 and the Loan Estimate.

To View the RegZ - CD:

1 On the Forms tab, click **RegZ - CD**.

2 Use this form to calculate the loan's closing date, update the Disbursement Date, and update the Document Date.

3 When you are ready to order Closing Docs, you can utilize the options in the Closing Docs section.

Encompass Compliance Service TILA-RESPA Review

An individual with an Encompass *admin* user ID can use the Compliance Review Setup to configure the Encompass Compliance Service (ECS). This tool provides an instant loan file check and determines if a loan complies with selected state and federal regulations.

The *TILA-RESPA Review* is enabled automatically when the *TILA Review* is enabled. When setting up these reviews, the administrator can click the associated **Edit** icon to control whether the TILA or TILA-RESPA Review will be triggered on a loan, based on the origination channel or other characteristics of the loan. Additional settings may also be configured.

The ECS TILA-RESPA review performs re-calculation and verification of certain disclosures from the Loan Estimate and Closing Disclosure, as described below, and tracks disclosure delivery to ensure timing requirements are met.

TILA-RESPA Review Categories:

Disclosure Timing (12 CFR 1026.19(e)(1), 12 CFR 1026.19(e)(4), 1026.19(f)(1))

- Loan Estimate Mailed/Delivered Within Three Business Days of Application
- Loan Estimate Mailed/Delivered At Least Seven Business Days Before Consummation
- List of Settlement Service Providers Timing and Delivery Date Rules
- Loan Estimate Disclosure Received and Intent To Proceed
- Loan Estimate Received At Least Four Business Days Before Consummation

- Prior Loan Estimate Received At Least Four Business Days Before Consummation
- Loan Estimate Disclosure Date on or after Closing Disclosure Date
- Closing Disclosure and Consummation Date
- Inaccurate Loan Product - Redisclosure and Waiting Period
- Inaccurate Closing Disclosure APR - Redisclosure and Waiting Period
- Prepayment Penalty Added - Redisclosure and Waiting Period

Projected Payments (12 CFR 1026.37(c), 12 CFR 1026.38(c))

- Projected Payments Calculation and Comparison Rules

Loan Calculations (1026.37(l) 1026.38(o))

- Loan Estimate Total Principal in Five Years
- Loan Estimate Total Interest Percentage (TIP)
- Closing Disclosure Total Interest Percentage (TIP)
- APR Disclosure Tolerance (Regular)
- APR Disclosure Tolerance (Irregular)
- Finance Charge Disclosure Tolerance
- Foreclosure Rescission Finance Charge Tolerance
- Finance Charge Rescission Tolerance
- TILA Data Validation
- TILA Amount Financed Validation

Product Description

- Product Description Rules/Product Description Redisclosure Rules

Applicability

The ECS TILA-RESPA review applies to closed-end loans secured by 1-4 unit dwellings attached to real property, for which the application is taken on or after October 3, 2015, and the **RESPA-TILA Form Version** at the top of the Forms menu in the loan is set to RESPA-TILA 2015 LE and CD.

NOTE: The field that controls which forms are used for the loan is the RESPA-TILA Form Version field (field ID 3969). This is a hidden field that is not visible in the loan file. When this field is selected, the RESPA-TILA 2015 forms are used.

The TILA-RESPA review will not apply to Open End HELOCs (i.e., the loan type (field ID 1172) is HELOC) or loans not made primarily for personal, family household purposes (field ID QM.X110). The ECS does not receive enough information to determine whether the loan is secured by real property and as a result will apply the TILA-RESPA Rules to all closed-end loans secured by 1-4 unit dwellings, made primarily for personal, family, or household purposes, for which the application date is on or after October 3, 2015, and for which the Encompass Form Version is *RESPA-TILA 2015 LE and CD*.
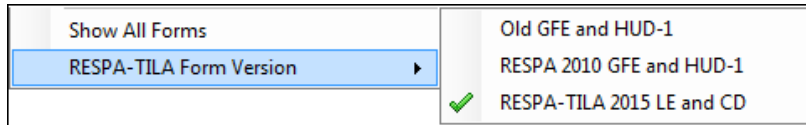
TILA/RESPA Review Status

The *TILA/RESPA* heading in the compliance report will reflect the result of the TILA Tolerance Review (for loans made prior to October 3, 2015 and for loans that are exempt from the Integrated Disclosure requirements, as described above), TILA-RESPA Review (for loans with an application date on or after October 3, 2015 which are subject to the Integrated Disclosure requirements), and TILA-Right of Rescission Review. The most severe status will be reflected in the TILA/RESPA heading.

Reportable Fields

The reportable field COMPLIANCEREVIEW.X14 will reflect the most severe status out of the TILA Tolerance Review, TILA-RESPA Review, and TILA-Right of Rescission Review (if applicable).

TILA-RESPA Settings

The TILA-RESPA Review is enabled automatically if the TILA Review is enabled. The **TILA/TILA-RESPA Review** check box controls both reviews. The **Edit** icon triggers the TILA/TILA-RESPA Review Run Conditions pop-up window, in which the existing TILA options, as well as the new TILA-RESPA Preview settings, can be accessed.
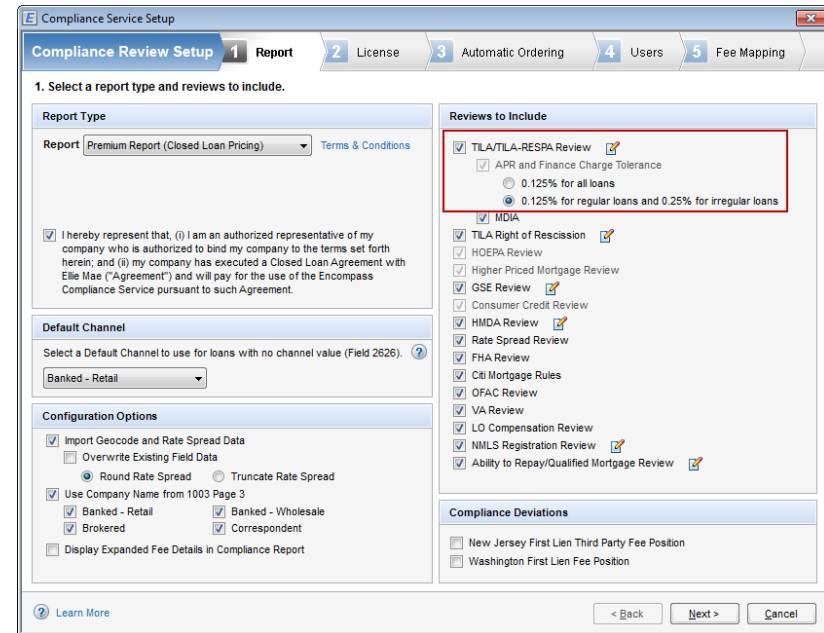
Review Requirements

The Review Requirements tab of the TILA/TILA-RESPA Review Run Conditions window displays the pre-existing settings **TILA Required Channel Type** and **Additional Conditions**. These settings control whether the TILA or TILA-RESPA Review will be triggered on a loan, based on the origination channel or other characteristics of the loan. Additional pre-existing settings have been moved onto their own Additional Settings tab.

Additional Settings

The Additional Settings tab contains the TILA Finance Charge Run Conditions and Prepaid Finance Charge Credit Settings, both of which are pre-existing settings. The TILA-RESPA Preview Setting controls whether, when a Preview compliance report is ordered, the ECS uses the most recent LE data or CD data for the compliance rules. See the following "Pre-disclosure Review" section for more information.

Pre-disclosure Review

The existing Preview feature (triggered either by using the **Preview** button on the Compliance Review screen or by running a compliance report using the Preview option in the Automatic Ordering settings) will continue to provide a pre-disclosure version of the compliance report, using the current TIL data for the TILA Tolerance Review and any dependent reviews. If the loan is subject to RESPA-TILA Integrated Mortgage Disclosure requirements, the Preview feature will produce a pre-disclosure review using the current LE or CD data for the TILA-RESPA and any dependent reviews (for example, reviews that use the TILA finance charges, APR, etc.).

Loan Estimate Preview

Until the point where a CD is provided to the borrower (or the appropriate TILA-RESPA Preview Milestone has been reached), the Preview treats the current LE (i.e., Loan Estimate Page 1-3) as the last LE for all ECS reviews. Any rules that are based on the details of the last LE will therefore use the current LE data. For example, the Projected Payments validation will be based on the current Loan Estimate.

If a CD has been disclosed, the ECS will not perform a Loan Estimate Preview, and will instead provide a Closing Disclosure Preview, since you can no longer disclose an LE after disclosing a CD.

Closing Disclosure Preview

If a CD has been disclosed or the loan has completed a milestone for which the TILA-RESPA Preview Setting is set to trigger a Closing Disclosure Preview, the Preview will use the current CD (i.e., the Closing Disclosure Page 1-5) as the last CD for all ECS reviews. Any rules that are based on the details of the last CD will therefore use the current CD data.

For more detailed information about setting up the TILA-RESPA Review, the compliance rules applied during the TILA-RESPA Review, the values that may be recalculated, the messages returned from the review, and the Projected Payment table comparison rule applied during the review, refer to the *Using the Encompass Compliance Service* guide and the *Encompass Compliance Service TILA-RESPA Review Integration Guide*.

Responding to Compliance Alerts

Compliance Alerts are triggered any time a loan violates RESPA-TILA regulations. These alerts display on the Alerts & Messages tab in the Log, as well as in pop-up windows that display when you save the loan.

Alert Triggers and Response Methods

This section describes the scenarios where a compliance alert will be generated, indicates the RESPA-TILA regulation that has been violated, and explains how to clear the alert.

Send Initial Disclosure Alert
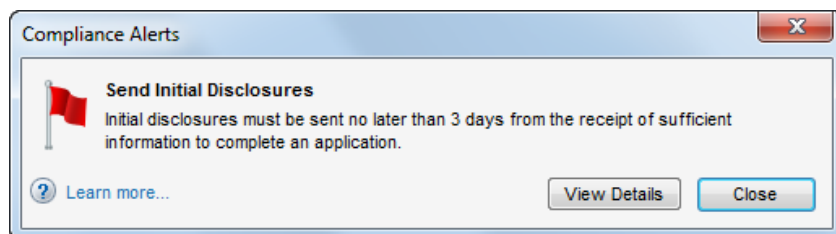
Regulation

According to RESPA-TILA regulations, the loan originator must provide the initial Loan Estimate to the borrower within three days of receiving the loan application.

Alert Description

The **Send Initial Disclosure** alert is generated when all of the alert's trigger fields have been populated. By default, these fields include Borrower First Name (Field ID 4000), Subject Property Address (Field ID 11), Loan Amount (Field ID 1109), and other fields used to complete the loan application. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. Initial disclosures must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar in the Compliance Calendar settings).

Clearing the Alert

• Print the required disclosures and send them (via fax or mail) to the borrower. The LE must be included this disclosure package.

    OR

• Create and send an electronic disclosure package to the borrower using the eFolder. The LE must be included this disclosure package.

    OR

• Click the **Send Initial Disclosures** entry on the Alerts & Messages tab in the Log. In the Send Initial Disclosures alert summary, click the **Send eDisclosures** button.

    NOTE:After you send the disclosure, an entry is automatically added to the Disclosure Tracking tool and the alert is cleared.

Send Initial Disclosures Alert for Settlement Service Providers List

In addition to the triggers discussed above, the Send Initial Disclosures Alert may be generated if the Loan Estimate and the Settlement Services Provider List (SSPL) are required to be disclosed. The alert is cleared when the SSPL Sent Date (field ID 4014) is populated. This field is automatically populated when the SSPL is disclosed and a tracking entry is included in the Disclosure Tracking tool's Disclosure History table.

eSign Consent Not Yet Received
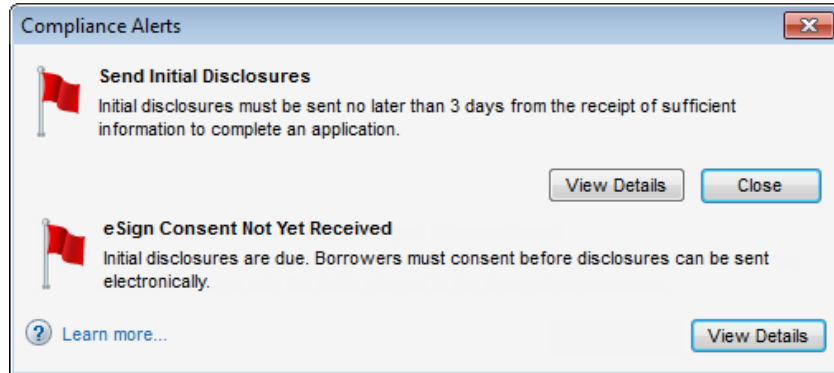
Regulation

According to RESPA-TILA regulations, the loan originator must provide the initial Loan Estimate to the borrower within three days of receiving the loan application. Before borrowers can receive loan documents electronically, they must review and accept the consent agreement. Encompass users can use the eSign Consent Request feature to send borrowers an email with a link to the consent form.

Alert Description

This alert is generated when the initial disclosures are due to be sent (i.e., when the Send Initial Disclosures alert is triggered), but eSign Consent has not yet been received from all borrowers (applicable borrowers and co-borrowers across all borrower pairs). If the eSign Consent Status for any borrower / co-borrower on the loan is not indicated as *Accepted*, this alert is triggered. This alert helps ensure you receive eSigning consent before sending the disclosures electronically.

Clearing the Alert

To clear the alert, the eSign Consent Status must be set to *Accepted* for all borrowers and co-borrowers on the loan. This *Accepted* status is automatically populated to the eSign Consent Status fields once the eSign consent form is received from the borrower(s). To view the eSign consent status for the borrowers, click the **Lookup** (magnifying glass) icon located next to the **eSign Consent** field in the *Compliance Timeline* section of the Disclosure Tracking Tool.

When this alert is triggered, you can click the **View Details** button on the alert, and then click the **Request eSign Consent** button provided with the alert details to send the eSign consent form to the borrowers via email.

Loan Estimate Expires Alert
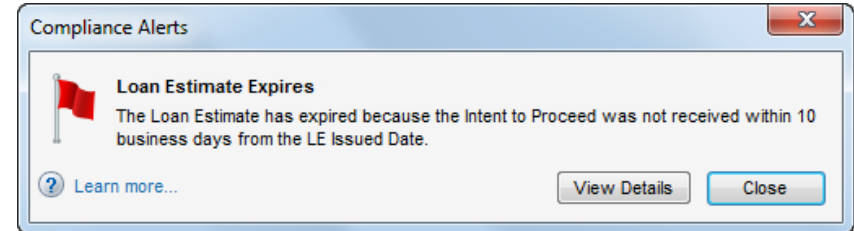
Regulation

RESPA-TILA states that if a borrower does not express an intent to continue with an application within 10 days of receiving the Loan Estimate (LE), the loan originator is no longer bound by the LE.

Alert Description

- The **Loan Estimate Expires** alert notifies you that the Closing Cost Estimate Expiration Date (field ID LE1.X28 on the LE Page 1) is near and the **Intent to Proceed** check box (field ID 3164) has not been selected on the Loan Estimate Page 1. The **days before the expiration date** value set up in Alerts settings determines exactly when the alert displays. The LE's expiration date must be a minimum of 10 days from the LE Sent Date (Field ID 3152 on the Disclosure Tracking tool). Days are determined by the Compliance Calendar settings. The alert displays in the Pipeline, the Alerts & Messages tab in the Log, and the LE (the top of the page displays in red), as well as in a pop-up window when you save the loan. When the alert is generated, the Encompass user receives an alert with the following message:

  The Loan Estimate has expired because the Intent to Proceed was not received within 10 business days from the LE Issued Date.

Clearing the Alert

On the LE Page 1, select the **Intent to Proceed** check box (field ID 3164).

Rediosclose Loan Estimate Alerts
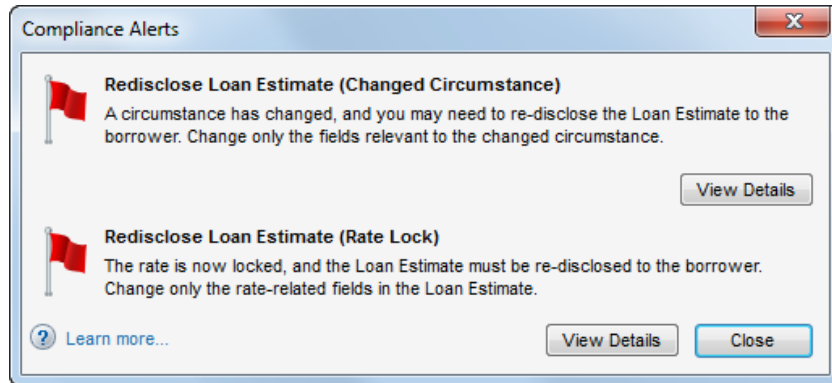
Regulation

Under RESPA-TILA regulations, if circumstances have changed since the initial Loan Estimate was provided, a revised Loan Estimate must be sent to the borrower within three days of the changes.

A revised Loan Estimate must also be sent if a rate lock changes after the initial Loan Estimate is provided.

Alert Description

Rediosclose LE (Changed Circumstances) alerts are generated when the Changed Circumstance check box (field ID 3168) is selected on the LE Page 1. When this check box is selected, the Changed Circumstance Change Received date field (field ID 3165) is populated with the current date. By default, the alert is generated three days before the Rediosclosure Due Date (field ID 3167).The alert displays on the Pipeline, the Alerts & Messages tab in the Log, and LE (the top of the page displays in red), as well as in a pop-up window when you save the loan.

Clearing the Alert

- Print the LE and send it (via fax or mail) to the borrower.
  - After printing the LE, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the LE using the eFolder.

Alert Description

Rediosclose Loan Estimate (Rate Lock) these alerts are generated when the Rate Locked Date (field ID 761) is later than the Last Sent Date (field ID LE1.X33) on the LE. In other words, the rate was locked after the LE was initially disclosed. The alert displays on the Pipeline, Log, and LE (the top of the page displays in red), as well as in a pop-up window when you save the loan.

Clearing the Alert

- Print the LE and send it (via fax or mail) to the borrower.
  - After printing the LE, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the LE using the eFolder.

Rediosclose Closing Disclosure Alerts
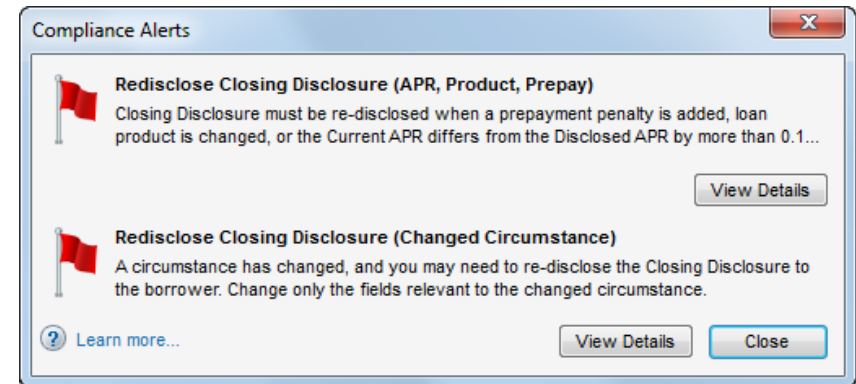
Regulation

Under RESPA-TILA regulations, if circumstances have changed since the initial Closing Disclosure was provided, a revised Closing Disclosure must be sent to the borrower within three days of the changes.

A revised Closing Disclosure must also be sent if a conventional loan's current annual percentage rate (APR) and the disclosed APR differ by more than .125%, the loan product is changed, or a prepayment penalty is added after the initial Closing Disclosure is sent. For ARM loans, the Closing Disclosure must be rediosclosed if there is a difference of .25% between the two rates

Alert Description

Rediosclose Closing Disclosure (Changed Circumstance) alerts are generated when a circumstance has changed with the loan and the Closing Disclosure (CD) may need to be rediosclosed as a result. By default, the alert will trigger three days before the Rediosclosure Due Date (field CD1.X63). The trigger fields are:

- Loan Costs (CD2.XSTD) increases, comparing the current value to the last disclosed value
- Other Costs (CD2.XSTI) increases, comparing the current value to the last disclosed value
- Lender Credits (CD2.XSTLC) decreases, comparing the current value to the last disclosed value
- Tolerance Cure (CD3.X129) is populated
- CD Changed Circumstance check box (CD1.X61) is selected and any one or more of the following reasons is selected: Tolerance Cure, Change in Settlement Charges, Clerical Error Correction, Other
- CD Changed Circumstance Received Date (CD1.X62)

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan. The redisclosure must be sent no later than three business days after the alert has been generated. (Business days are determined by the Our Company Calendar settings.)

Clearing the Alert

- Print the Closing Disclosure and send it (via fax or mail) to the borrower.
  - After printing the form, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the Closing Disclosure using the eFolder.

Alert Description

Redisclose CD (APR, Product, Prepay) alerts are generated when the current APR differs from the Disclosed APR by more than 0.125% (0.25% for irregular loans), the loan product is changed, or a prepayment penalty is added and the Closing Disclosure (CD) may need to be redisclosed as a result. The trigger fields are:

- Trans Details Disclosed APR (3121) - Alert is triggered when the Current APR (field ID 799) differs from the Disclosed APR (field ID 3121) by more than 0.125% (0.25% for irregular loans) or custom percentage
- Product Description (LE1.X5) - Alert is triggered when the current Loan Product (LE1.X5) on the CD Page 1 is different than the Loan Product indicated on the last disclosure
- Prepayment Penalty (675) - Alert is triggered if **Yes** is currently indicated for this field on the CD Page 1 and **No** was indicated in the last disclosure
- Last CD Sent Date (CD1.X47) - The date the CD was last disclosed.

These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.

Clearing the Alert

- Print the Closing Disclosure and send it (via fax or mail) to the borrower.
  - After printing the form, click **Yes** when prompted to record this disclosure record in the Disclosure Tracking tool.
- Or, send an electronic version of the Closing Disclosure using the eFolder.

Good Faith Fee Variance Violated
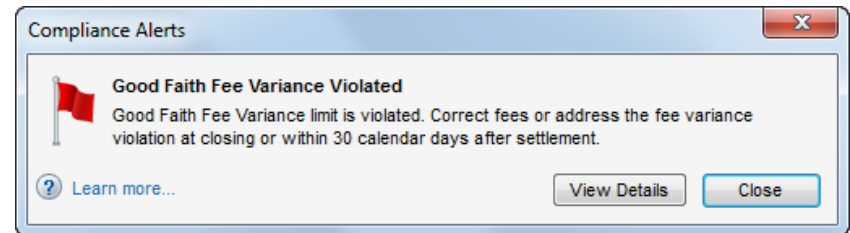
Regulation

RESPA-TILA enforces tolerance regulations that limit the amount that charges listed on the Loan Estimate can increase at the time of the loan's settlement.

Some charges, such as loan origination charges, allow zero tolerance and cannot exceed the amount listed on the Loan Estimate. Other charges, such as title charges, allow a 10% tolerance in the total increase.

The lender is responsible for curing tolerance violations.

Alert Description

This alert is generated when there is a variance between the LE and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X345) of the Fee Variance Worksheet or when there is a variance between the CD and 2015 Itemization in the Total Good Faith Amount section (field ID FV.X347) on the worksheet. These alerts display on the Pipeline and the Alerts & Messages tab in the Log, as well as in a pop-up window when you save the loan.

Click the alert icon or indicator to view the alert details, including each applicable fee that was changed, and clear the alert. When viewing the alert details, the following fee details are displayed (below the Trigger Fields section) that provide the following information. Here you can enter fee change details about each fee at a granular level:

- **Applies To -** At the top of this section, select LE or CD from the Applies To drop-down list to indicate the form (LE or CD) where these fee change details will be applied.
- **Changes Received Date -** Will auto-populate with today's date and reflects the same date used for this field on the LE Page 1 and CD Page 1

- **Revised LE Due Date or Revised CD Due Date –** In the Fee Details section, you can indicate if the fee change was made on the LE Page 1 or CD Page 1. Depending on the disclosure (as indicated by the selection in the Applies To field), this field will refer to the LE due date or CD due date accordingly. This is read-only field, calculated by the Encompass system.

- **Description -** Description of the Changed Circumstance (click the **Lookup** icon (magnifying glass) to select the changed circumstance from the list).

- **Comments -** Comments related to the Changed Circumstance

- **Reason –** Select the reason for the change from the drop-down list. There can only be one reason for each fee. This drop-down list provides the same list of reasons that is provided on the LE Page 1 and CD Page 1. Some reasons apply only to the LE, some apply only to the CD, and some apply to both. If LE is selected for the Applies To field, only reasons that apply only to the LE or LE and CD will be displayed in the list. If CD is selected for the Applies To field, only reasons that apply only to the CD or the LE and CD will be displayed in the list.

Clearing the Alert

- To clear this alert, click the **Cure Variance** button, and then enter the required fields in the pop-up window (shown below) or the amounts in the Variance between... fields (field ID FV.X345 and FV.X347) can be updated to remove the variance amount from the Fee Variance Worksheet or you can redisclose the LE or CD with a Change of Circumstance selected that causes the Variance Worksheet LE or CD Baseline to be updated, thereby removing the variance amount.

    OR

- Update the necessary values on the 2015 Itemization so the line item values in the Charges that Cannot Increase section of the Fee Variance Worksheet are equal.

    OR

- Click the **Good Faith Fee Variance Violated** entry on the Alerts & Messages tab in the Log.

    - In the Good Faith Fee Variance Violated summary, select the field that triggered the alert and click **Go to Field**. There you can see the value that must be updated to clear the alert.

    - Or, in the HUD-1 Tolerance Violated summary, click **Cure Variance**. Type the means in which you are resolving the violation and select the date it was resolved in the Good Faith Fee Variance Resolution window.

    OR

- Rectify the amount due to the borrower (for example, send a check to borrower), and then locate the **Tolerance Cure** section at the bottom of the Fee Variance Worksheet. Type the means by which the violation was resolved, who resolved it, and the date it was resolved.

Fee Details Window Quick Reference Guides

The following Fee Details quick reference guides explain how to use the Fee Details pop-up windows provided on the 2015 Itemization input form to enter or edit detailed information about the fee. Data entered in the pop-up window is used to update the fee information on the 2015 Itemization form.

On the 2015 Itemization input form, click the **Fee Details** icon to the left of a fee to open the Fee Details window. Use the window to enter or edit detailed information about the fee. Data entered in the pop-up window is used to update the fee information on the 2015 Itemization form.

Header
The header section includes fee information as shown on the 2015 Itemization, including the portions paid by the borrower and seller.

Total Fee Amount
The Total Fee Amount fields are calculated and not editable. The dollar amount is the total of the Borrower and Seller fields in the header. The percentage is the dollar amount divided by the loan amount, and then multiplied by 100.

Last Disclosed
The fee listed on the most recently disclosed Loan Estimate or Closing Disclosure that has not been excluded from the Disclosure Tracking timeline.

Amount Paid By
The Amount Paid By section provides a detailed breakdown of the entities paying the fee (Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and columns listing the portion of the payment that falls into different payment categories (Financed, PTC, PAC, and POC).

Page 2 of this guide provides detailed descriptions of each field and the way changes to the field amounts flow between the fields.

Fee Details - 801i

				Borrower	Seller
801i.	Rate Lock Fee	To	ABC Investor	$ 100.00	$ 50.00

Total Fee Amount | **Last Disclosed**
$ 150.00 | Loan Estimate
% 0.078 | Closing Disclosure

Paid to Name: ABC Investor
Paid to Type: Investor

Amount Paid by

	Financed	PTC	PAC	POC	Amount Paid
Borrower		+ 100.00 =	100.00	+ =	100.00
Seller			50.00		50.00
Broker					
Lender					
Other					

Total Paid By B / L / O

Sec 32 Points and Fees 100.00   Total Fee Amount $ 150.00

☑ Impacts APR
☑ Seller Credit
☐ Seller Obligated

Loan Estimate Section   A
Closing Disclosure Section   A

Paid To
Paid to Name – Name of the entity receiving the fee. Click the **Address Book** icon to select a recipient from your business contacts.
Paid to Type - The category of the entity to whom the fee is paid.

Disclosure Section
The section of the Loan Estimate and Closing Disclosure where the fee is populated. Entries for the Loan Estimate Section and closing Disclosure Section do not display when a fee is not populated to the disclosure.

Check Boxes
The lower-left section displays three basic check boxes:
- **Impacts APR** - The borrower-paid portion of the fee affects the APR.
- **Seller Credit** - All or part of the fee is a seller credit. This check box is not editable and is selected by default when an amount is entered in the Seller PAC or Seller POC field.
- **Seller Obligated** - If this check box is selected, the **Seller Credit** check box is cleared and the Seller Obligated amount field displays the total of the Seller POC and Seller PAC fields. Click the **Lock** icon to edit the amount. If the amount in the Seller Obligated field is less than the total of the Seller PAC plus the Seller POC, both the **Seller Obligated** and **Seller Credit** check boxes are selected. If the **Seller Obligated** check box is then cleared, the amount field clears and the **Seller Credit** check box is selected.

Some fees also have check boxes to indicate whether:
- A borrower can or did shop for a third-party supplier for the service. (1)
- A fee is classified as insurance, tax, or property cost. (2)
- A fee is escrowed. (3)

1
☐ Borrower can shop for
☐ Borrower did shop for

2
☐ Property Cost
☐ Insurance
☐ Taxes

3
☐ Escrowed

The Amount Paid By section provides a detailed breakdown of entities paying the fee (Borrower, Seller, Broker, Lender, and Other), the amount paid by each entity, and columns listing portions of the payment that fall into different payment categories (Financed, PTC, PAC, and POC). The image below shows the Fee Details window when amounts are first entered in Borrower and Seller columns on the 2015 Itemization. Some fields are editable. Others are not editable, but are calculated or populated from other fields. Changes in one field can cause recalculations in other fields.

Amounts Copied from the 2015 Itemization – A value entered in the Borrower column on the 2015 Itemization displays on the Fee Details window in the Borrower field in the header, Borrower PTC, Borrower PAC, Borrower Amount Paid, and Sec 32 Points and Fees (if applicable). Changes in the Borrower column on the 2015 Itemization are also made on the Fee Details window in the Borrower field in the header and the Borrower PTC field. A value entered in the Seller column on the 2015 Itemization displays on the Fee Details window in the Seller field in the header, Seller PAC, and Seller Amount Paid. Changes in the Seller column on the 2015 Itemization are also made on the Fee Details window in the Seller field in the header and the Seller PAC field.

Amount Paid by Borrower
Borrower Financed - Portion paid from the loan funds at closing. Changes to the Borrower Financed field amount result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Borrower PTC - Portion paid from the borrower's own funds as part of the closing process: a non-editable field calculated by taking the Total Fee Amount and subtracting the amounts in the Borrower Financed, Borrower POC, Seller Amount Paid, and Total Paid By B/L/O fields.
Borrower PAC - Portion paid at closing by the borrower: a non-editable field calculated by adding the Borrower Financed and Borrower PTC amounts.
Borrower POC - Portion paid outside closing by the borrower, for example, an appraisal fee. Changes to the Borrower POC field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Borrower Amount Paid - The total amount paid by the borrower: a non-editable field calculated by adding the Borrower PAC and Borrower POC amounts.

Amount Paid by Seller
Seller PAC - Portion paid at closing by the seller: a non-editable field calculated by taking the Seller amount in the header section and subtracting the Seller POC amount.
Seller POC - Portion paid outside closing by the seller. If the Seller amount in the header is blank or 0, the Seller POC field is not editable. Changes to the Seller POC field result in the Seller PAC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Seller Amount Paid - Total amount paid by seller: a non-editable field calculated by adding the Seller PAC amount and the Seller POC amount. The Seller Amount Paid and the Seller field in the header always display the same amounts.

Amount Paid by Broker, Lender, Other
The amounts paid by the broker, lender, and other are included in the Borrower amount in the header.
Broker PAC - Portion paid at closing by the broker. Changes to the field result in the Borrower PTC field being adjusted by the opposite amount to keep the Total Fee Amount the same.
Broker POC - Portion paid outside closing by the broker. Changes to the field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Broker Amount Paid - Total amount paid by the broker: a non-editable field calculated by adding the Broker PAC amount plus the Broker POC amount.
Lender PAC - Portion paid at closing by the lender. Changes to the field result in the Borrower PTC field being adjusted by the opposite amount to keep the Total Fee Amount the same.
Lender POC - Portion paid outside closing by the lender. Changes to the field result in the Borrower PTC field being adjusted by the opposite amount to keep the Total Fee Amount the same.
Lender Amount Paid - Total amount paid by the lender: a non-editable field calculated by adding the Lender PAC amount plus the Lender POC amount.
Other PAC - Portion paid at closing by someone other than the borrower, seller, broker, or lender. Changes to the field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Other POC - Portion paid outside closing by someone other than the borrower, seller, broker, or lender. Changes to the field result in the Borrower PTC field amount being adjusted by the opposite amount to keep the Total Fee Amount the same.
Other Amount Paid - Total amount paid by someone other than the borrower, seller, broker, or lender: a non-editable field calculated by adding the Other PAC amount plus the Other POC amount.
Total Paid By B/L/O - Total portion paid by the Broker, Lender, and Other: a non-editable field calculated by adding the Broker Amount Paid, the Lender Amount Paid, and the Other Amount Paid.

Sec 32 Points and Fees - The portion of the fee classified as Section 32 points and fees. This is a locked field that includes fees paid by the Lender to the Broker and specific types of fees paid by the Seller to the Lender, Broker, or Affiliate. Click the **Lock** icon to manually edit the amount.

Total Fee Amount - Total of the Amount Paid entries for Borrower, Seller, Broker, Lender, and Other: a non-editable field calculated by adding the Borrower and Seller amount fields from the header section. This field also displays directly below the header section.

Disclosure Tracking Tool Field Calculations

Many of the fields in the Compliance Timeline, LE Tracking, and CD Tracking sections are automatically calculated in accordance with the 2015 RESPA-TILA regulations effective October 3, 2015. Below are the methods used to enter dates in the calculated fields.

NOTE: The Intent to Proceed date, Estimated Closing date, and the fields in the Other Tracking section are not calculated, but are either copied from other Encompass fields or manually entered.

Compliance Timeline - The Compliance Timeline section provides date fields that show when the loan application was received, when the first disclosure was sent to the borrower, when the borrower indicated an intent to proceed, the earliest fee collection date, the earliest closing date, and the estimated closing date.

Field	Calculation
Application Date	Date that all default Send Initial Disclosure trigger fields are populated. When all of these fields contain values, there is sufficient information to complete the application. The trigger fields are:
	- First Name (Field ID 4000) - Borr Last Name (4002) - Borr SSN (65) - Total Monthly Income (736) - Subject Property Street (11) - City (12) - State (14) - Zip (15), - Estimated Value (1821) - Loan Amount (1109)
LE Due	This date is three days after the Application Date. - A "day" is any day lender is open to conduct business according to Our Company Calendar in the Compliance Calendar settings. - The day of the Application Date date is not included. - The Loan Estimate must be delivered or sent before the end of Day 3.
eSign Consent	This field is populated when the borrower or borrowers access a secure website and agree to receive loan documents electronically.
Intent to Proceed	The date you determine the borrower intends to proceed with the loan. This field is populated from the Received Date (field ID 3197) on the Loan Estimate Page 1 input form.
Earliest Fee Collection	The later of the following two dates: - The date you determine that the borrower intends to continue with the loan (field ID 3197). - The date when the borrower receives the Loan Estimate. The receipt date is set as the date the fax was sent, the date the email was opened, 3 days after the Loan Estimate was mailed, or 1 day after it was sent by overnight delivery. This date is calculated using the Reg-Z Business Day Calendar in the Compliance Calendar setting. - A "day" is any day of the week excluding Sundays and Legal Holidays according to U.S. Postal Calendar in the Compliance Calendar settings.

Compliance Timeline - The Compliance Timeline section provides date fields that show when the loan application was received, when the first disclosure was sent to the borrower, when the borrower indicated an intent to proceed, the earliest fee collection date, the earliest closing date, and the estimated closing date.

Field	Calculation

Earliest Closing	The following calculations are used to determine this date:
	
	• If an initial Loan Estimate has been sent, the Earliest Closing date is the LE Sent date (field 3152) plus 7 days, based on the Reg-Z Business Day Calendar settings in the Compliance Calendar setting.
	
	• If a revised Loan Estimate has been sent but not received (the Revised LE Received date is in the future), the Earliest Closing date is the Revised LE Sent date (field 3154) plus 7 days, based on the Reg-Z Business Day Calendar settings. The Revised LE Sent date is not counted as one of the 7 days.
	
	• If a revised Loan Estimate has been sent and received, the Earliest Closing date is the Revised LE Received date (field 3155) plus 3 days, based on the RegZ Business Day calendar. The Revised LE Received date is not counted as one of the 3 days.
	
	• If an initial Closing Disclosure has been sent but not received, the Earliest Closing date is the CD Sent date (field 3977) plus 6 days, based on the Reg-Z Business Day Calendar settings in the Compliance Calendar setting. The CD Sent date is not counted as one of the 6 days.
	
	• If an initial Closing Disclosure has been sent and received, the Earliest Closing date is the CD Received date (field 3978) plus 3 days, based on the Reg-Z Business Day Calendar settings in the Compliance Calendar setting. The CD Received date is not counted as one of the 3 days.
	
	• If a revised Closing Disclosure has been sent and **Change in APR**, **Change in Loan Product**, or **Prepayment Penalty Added** has been selected on the Disclosure Details window as the reason for the revised Closing Disclosure:
	
	  • If the revised Closing Disclosure has been sent but not yet received (the Revised CD Received date is in the future), the Earliest Closing date is the Revised CD Sent date (field 3979) plus 6 days, based on the RegZ Business Day calendar. The Revised CD Sent date is not counted as one of the 6 days.
	
	  • If a revised Closing Disclosure has been sent and received, the Earliest Closing date is the Revised CD Received date (field 3980) plus 3 days, based on the RegZ Business Day calendar. The Revised CD Received date is not counted as one of the 3 days.
	
	• The Earliest Closing date is re-calculated when:
	
	  • A revised Loan Estimate is excluded or included.
	
	  • A revised Closing Disclosure disclosed due to any of the reasons listed above (**Change in APR**, **Change in Loan Product**, or **Prepayment Penalty Added**) is excluded or included.
	
	• A "day" is any day lender is open to conduct business according to the Reg-Z Business Day Calendar settings in the Compliance Calendar setting.
	
	NOTE: If a revised Loan Estimate or Revised CD (with a change of circumstance caused by an APR change, loan product change, or additional prepayment penalty) is disclosed, the calculations described above use the Revised LE Sent, Revised LE Received, Revised CD Sent, and Revised CD Received dates instead.

Estimated Closing	This date is populated from the Estimated Closing Date in the loan file (field ID 763), but the date can be edited.

LE Tracking - The LE Tracking section provides date fields that enable you to track when the initial Loan Estimate was sent and received by the borrower and when revised Loan Estimate forms were sent and received.

Field	Calculation
LE Sent	The date when the earliest version of the Loan Estimate is sent to the borrower, ignoring Loan Estimates that were excluded from the Timeline in the Disclosure Tracking Tool.
LE Received	The day the borrower received the Loan Estimate: • **In Person or via Fax** - The Loan Estimate is deemed received on the LE Sent date. • **U.S. Mail, Email, or Other)** - The Loan Estimate is deemed received by the end of the third day after the LE Sent date. A "day" is any day of the week excluding Sundays and Legal Holidays according to Reg-Z Calendar in the Compliance Calendar setting. The LE Sent date is excluded. **eDisclosures** - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.
Revised LE Sent	The LE Sent date for the most recently sent Loan Estimate. This field is blank if there is only one Loan Estimate being tracked in the Disclosure Tracking tool.
Revised LE Received	The day the borrower received the most recently sent Loan Estimate: • **In Person or via Fax** - The Loan Estimate is deemed received on the LE Sent date. • **U.S. Mail, Email, or Other)** - The Loan Estimate is deemed received by the end of the third day after the LE Sent date. A "day" is any day of the week excluding Sundays and Legal Holidays according to Reg-Z Calendar in the Compliance Calendar setting. The LE Sent date is excluded. • **eDisclosures** - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.
SSPL Sent	The earliest date the Settlement Services Provider List (SSPL) is sent. (If the SSPL is disclosed but the associated disclosure tracking entry is excluded form the Disclosure History table, the disclosure will not be recognized by this field.)
Safe Harbor Sent	The earliest date the Safe Harbor disclosure is sent. (If the Safe Harbor is disclosed but the associated disclosure tracking entry is excluded form the Disclosure History table, the disclosure will not be recognized by this field.)

CD Tracking - The CD Tracking sections provide date fields that enable you to track when the initial Closing Disclosure was sent and received by the borrower and when revised Closing Disclosure forms were sent and received.

Field	Calculation
CD Sent	The date when the earliest version of the Closing Disclosure is sent to the borrower, ignoring Closing Disclosures that were excluded from the Disclosure Tracking timeline.
CD Received	The day the borrower received the Closing Disclosure: • **In Person or via Fax** - The Closing Disclosure is deemed received on the CD Sent date. • **U.S. Mail, Email, or Other)** - The Closing Disclosure is deemed received by the end of the third day after the CD Sent date. A "day" is any day of the week excluding Sundays and Legal Holidays according to Reg-Z Calendar in the Compliance Calendar setting. The CD Sent date is excluded. **eDisclosures** - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.
Revised CD Sent	The CD Sent date for the most recently sent Closing Disclosure. This field is blank if there is only one Closing Disclosure being tracked in the Disclosure Tracking tool.
Revised CD Received	The day the borrower received the Closing Disclosure: • **In Person or via Fax** - The Closing Disclosure is deemed received on the CD Sent date. • **U.S. Mail, Email, or Other)** - The Closing Disclosure is deemed received by the end of the third day after the CD Sent date. A "day" is any day of the week excluding Sundays and Legal Holidays according to Reg-Z Calendar in the Compliance Calendar setting. The CD Sent date is excluded. **eDisclosures** - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.
Post Consummation Disclosure Sent	The Sent Date from the Details tab in the Disclosure Details window for the most recent Closing Disclosure with the Disclosure Type Post Consummation option selected (on the Details tab in the Disclosure Details window).
Post Consummation Disclosure Received	The latest of the following dates from the Document Details window for the most recent Post Consummation Closing Disclosure that has not been excluded from timeline: Borrower Presumed Received Date, Borrower Actual Received Date, Co-Borrower Presumed Received Date, or Co-Borrower Actual Received Date. The date is recalculated when the Disclosure Type is modified or when a Post Consummation Disclosure is included in or excluded from the timeline.

Other Tracking - The Other Tracking section allows users to type or select dates when additional forms were sent to the borrower. The dates in this section must be entered manually or selected from the calendar provided for each field.

Field	Calculation
Affiliated Business Disclosure Provided	The date an Affiliated Business Arrangement Disclosure is provided to the borrower (i.e., the date sent via U.S. Mail, the date delivered face to face, etc.).
CHARM Booklet Provided	The date the licensee provided the Consumer Handbook on Adjustable Rate Mortgages (CHARM) or a suitable substitute at the time of application. If the application is sent via U.S. Mail this disclosure must be included in the packet.
Special Info Booklet Provided	The date that HUD's Special Information Booklet is sent to the borrower. If sent via U.S. Mail, the booklet is deemed received by the end of the third day after the booklet is sent. A "day" is any day of the week excluding Sundays and Legal Holidays according to the U.S. Postal Calendar in Compliance Calendar setting.
HELOC Brochure Provided	The date the Special Brochure for Open-Ended Credit Plans is sent to the borrower.
1st Appraisal Provided	The date the first completed appraisal is sent to the borrower.
Subsequent Appraisal Provided	The date the second completed appraisal is sent to the borrower.
AVM Provided	The date the automated valuation model report is sent to the borrower. According to CFPB regulations, the AVM must be provided within a week after its receipt and with sufficient time before consummation (or account opening for open-end credit).
Home Counseling Disclosure Provided	The date home counseling information is sent to the borrower. According to CFPB regulations, lenders are required to provide a list of home ownership counseling organizations to consumers by the end of the third business day after they apply for a mortgage loan, with the exclusion of reverse mortgages and mortgage loans secured by a timeshare.
High Cost Disclosure	The date the Section 32 High Cost disclosure is signed. Under Reg Z, a creditor must furnish the Federal High Cost Section 32 disclosures at least three business days before consummation. Section 32 Disclosures are considered furnished when received by the consumer, which would be documented by the consumer's signature. For the purposes of determining the loan's consummation date, the Encompass Compliance Service (ECS) will use the first available date out of: • Document Signing Date [field 1887] • Loan disbursement Date [field 2553] • Estimated Closing Date [field 763]

Section 32 HOEPA and Section 35 HPML

The CFPB issued High-Cost Mortgage Amendments to the Truth in Lending Act (Regulation Z) effective January 10, 2014. The final rule amends section 1026.32(b) of Regulation Z (Truth in Lending) by expanding the types of mortgage loans that are subject to the protections of the Home Ownership and Equity Protections Act of 1994 (HOEPA), revising and expanding the tests for coverage under HOEPA, and imposing additional restrictions on mortgages that are covered by HOEPA, including restrictions on prepayment penalties.

For transactions not exempt from HOEPA coverage, you must apply the HOEPA coverage tests to determine if the transaction is a Federal high-cost mortgage. There are three separate HOEPA coverage tests based on:

- The transaction's annual percentage rate (APR)
- The amount of points and fees paid in connection with the transaction
- The prepayment penalties you may charge under the loan or credit agreement

Use the Section 32 HOEPA form to determine if a conventional or VA loan is a "High-Cost Mortgage" as defined by the CFPB. If you have completed the 1003 application and the Loan Estimate, the borrower fields and the fees in sections 800, 1100, 1200, and 1300 will already be filled.

Use the Section 35 HPML form to determine whether a loan exceeds the threshold for higher priced mortgage loans. The fields in the top section of the form should already be completed based on entries in other forms, but you can change the dates or select a new loan program as needed.

ATR/QM Management

Use the new ATR/QM Management tool to help document compliance with the Consumer Financial Protection Bureau's (CFPB) amendment to Regulation Z (taking effect on applications on or after January 10, 2014) that implements sections 1411, 1412, and 1414 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and prohibits creditors from making most residential mortgage loans against a closed end first or junior lien secured by a 1 - 4 unit dwelling unless the creditor makes a reasonable, good faith determination of the consumer's ability to repay the loan. In addition, the rule establishes certain protections for creditors who make a "Qualified Mortgage".

Creditors must assess the consumer's ability-to-repay for virtually all closed-end residential mortgage loans and it is now presumed that all Qualified Mortgages (QM) comply with these CFPB requirements. A loan that meets the following product feature requirements can be a QM under any of the three main categories:

(1) the General QM definition

(2) the "Agency/GSE-eligible" QM provision; or

(3) the small creditor QM provision

Mandatory Product Feature Requirements for All QMs

- Points and fees do not exceed 3% of the Regulation Z-defined Total Loan Amount (for loan amounts less than $100,000, higher percentage thresholds are allowed).
- No risky features like negative amortization, interest-only, or balloon loans.
- Balloon loans originated until January 10, 2016 that meet the other product features are Qualified Mortgages if originated and held in portfolio by small creditors.
- Maximum loan term is less than or equal to 30 years.

Three Main Categories of QMs

- **General definition category of QMs** - Any loan that meets the product feature requirements with debt-to-income ratio of 43% or less is a Qualified Mortgage.
- **"Agency/GSE-eligible" category of QMs** - Any loan that meets the product feature requirements and is eligible for purchase, guarantee, or insurance by a GSE, FHA, VA, or USDA is a Qualified Mortgage regardless of the debt-to-income ratio.
- This QM category applies to GSE loans as long as the GSEs are in FHFA conservatorship and for federal agency loans until an agency issues its own QM rules, or January 10, 2021, whichever occurs first.
- **Small Creditor category of QMs** - If you have less than two billion dollars in assets and originate 500 or fewer mortgages per year, loans you make and hold in portfolio are Qualified Mortgages as long as you have considered and verified a consumer's debt-to-income ratio (though no specific debt-to-income ratio limit applies).

The ATR/QM Management tool provides a convenient, central location for recording the information you obtain to determine the borrower's ability to repay the loan and to help you document compliance with general ability-to-repay standards or eligibility for qualified mortgage status.

Before you open the ATR/QM Management form, complete the Borrower Summary, Section 32 HOEPA, and 1003 Loan Application. As you begin working on the ATR/QM Management form, complete any fields that are not already populated from the Borrower Summary and the 1003 Loan Application. Click the links on the title bar on the upper-right to access information from related forms such as the 1003 Loan Application, 2015 Itemization, and RegZ-LE.

Basic Info Tab

Use the Basic Info tab to record information about the borrower, subject property, and loan. Most fields in the Borrower Information, Property Information, and Loan Information sections should already be completed based on entries in the Borrower Summary and 1003 Loan Application. Complete any missing information in these sections.

- Select the **Subject Property is in a Rural/Underserved Area** check box (field ID 3850) to indicate that the property is in either a rural or underserved area. This field is used as part of the Small Creditor Qualified Mortgage assessment. According to Regulation Z, 12 CFR § 1026.35(b)(2)(vi):

  "A county is 'rural' during a calendar year if it is
  neither in a metropolitan statistical area nor in a
  micropolitan statistical area that is adjacent to a
  metropolitan statistical area, as those terms are
  defined by the U.S. Office of Management and Budget and
  as they are applied under currently applicable Urban
  Influence Codes (UICs), established by the United States
  Department of Agriculture's Economic Research Service
  (USDA-ERS). A creditor may rely as a safe harbor on the
  list of counties published by the [CFPB] to determine
  whether a county qualifies as 'rural' for a particular
  calendar year."

  "A county is 'underserved' during a calendar year if,
  according to Home Mortgage Disclosure Act (HMDA) data
  for the preceding calendar year, no more than two
  creditors extended covered transactions, as defined in
  § 1026.43(b)(1), secured by a first lien, five or more
  times in the county. A creditor may rely as a safe harbor

on the list of counties published by the [CFPB] to
determine whether a county qualifies as 'underserved'
for a particular calendar year."

Qualification Tab

Identify factors necessary to make an ability-to-repay/qualified mortgage (ATR/QM) assessment based on the loan term, lien position, note amount, points and fees, monthly payments, and underwriting factors considered for the loan.

Loan Summary

The left column of the Loan Summary is the general loan terms. Complete any loan details that are not already populated from the Borrower Summary - Origination and 2010 Itemization or 2015 Itemization input forms. The right column provides the loan features an most of these fields are populated based on the entries you provided on the Transmittal Summary (form 1008), RegZ-LE, and RegZ-CD forms.

Monthly Payment - First Lien/Total

Part of making an ATR or QM assessment is quantifying the monthly mortgage payment while taking into account not only the subject loan, but also any known subordinate liens and all housing-related obligations. The ATR/QM Monthly Payment ratios sections are populated based on your entries on the 1008 Transmittal Summary and the RegZ-CD Payment Schedule and can be analyzed when making an ATR or QM assessment. The actual payment ratio used in making the assessment varies between the General ATR standard and across the different QM types. For example:

When originating a General QM that does not contain an interest-only payment feature, lenders want to use the Total Debt Ratio payment that reflects the maximum rate that would apply during the first five years of the loan (field ID QM.X119). Yet, when originating a General ATR loan that does not contain an

interest-only payment feature, balloon payment, or negative amortization, lenders are advised to assess debt to income ratios based on either the initial rate (field ID 742) or fully indexed rate (field ID QM.X116), using the higher rate of the two.

Please note that using the higher rate of the two does not apply to all types of ATR Standard loans.

- When originating a General ATR with an interest only payment period, lenders are advised to assess a DTI ratio based on the maximum payment amount using substantially equal, monthly payments of principal and interest based on the fully indexed rate or the introductory rate, whichever is greater, that will repay the maximum loan amount over the term of the loan that remains as of the date the loan is recast.

- When originating a General ATR non-Higher-Priced Covered Transaction with a balloon payment, lenders are advised to assess a DTI ratio based on the maximum payment amount scheduled during the first 60 months after the date on which the first regular periodic payment will be due. When originating a General ATR Higher-Priced Covered Transaction with a balloon payment, lenders are advised to assess a DTI ratio based on the maximum payment in the payment schedule, including any balloon payment.

- When originating a General ATR Higher-Priced Covered Transaction with negative amortization, lenders are advised to assess DTI ratios based on the maximum payment amount using substantially equal, monthly payments of principal and interest based on the fully indexed rate or the introductory rate, whichever is greater, that will repay the maximum loan amount over the term of the loan that remains as of the date the loan is recast

NOTE: There is no specific DTI ratio threshold for General ATR or Small Creditor QM loans. Agency/GSE QM loan DTI limits are based on each specific agency's or investor's guidelines.

Monthly Payment - Second Lien/Monthly Housing Obligations

Second lien and monthly housing payment fields are calculated based on values entered on page 2 of the 1003 Loan Application.

- If the Occupancy Status of the loan is *Secondary Home* or *Investment Property*, the values in the Proposed Monthly Payment section are derived from the Present expenses on page 2 of the 1003 Loan Application.

- If the Occupancy Status is *Primary Residence*, the values are derived from the Proposed expenses on page 2 of the 1003 Loan Application.

Risk Assessment

Many of these fields are already completed based on data on the loan application and the Risk Assessment section of the 1008 Transmittal Summary input form.

The CFPB's final rule states that lenders can rely upon an automated underwriting system (AUS) response of *Approve/Eligible*, *Accept/Eligible*, *Approve Eligible*, or *Accept Eligible* as evidence that the loan conforms to Agency/GSE standards so long as the information relied upon in making the AUS decision is accurate.

NOTE: The CFPB's final rule states that lenders can rely upon an automated underwriting system (AUS) response of *Approve/Eligible*, *Accept/Eligible*, *Approve Eligible,* or *Accept Eligible* (for DU) or *Accept*, *Approve*, *Approve/Eligible*, *ApproveEligible*, *Approve Eligible*, *AcceptEligible*, *Accept/Eligible*, or *Accept Eligible* (for LP) as evidence that the loan conforms to Agency/GSE standards so long as the information relied upon in making the AUS decision is accurate.

1 Select the type of underwriting provided for the loan file: manual, DU, LP, or other.

- If **Other** is selected, enter a description of the underwriting provided.

2 Enter the recommendation returned from Freddie Mac, such as *Approved* or *Caution*.

3 Enter the identification ID/Key returned by Fannie Mae or Freddie Mac with the loan recommendation.

4 Enter the class of documentation provided with the loan package to Freddie Mac's Loan Prospector (LP). Examples are No DV (no deposit verification) and Full Documentation.

APR/APOR

- Annual percentage rate fields are populated based on data entered on the **Borrower Summary** and **1003 Loan Application**.

- When applicable, you can click the blue Lock icon to lock the field, enabling you to enter a value that will not be overridden by data pulled from the Borrower Summary and 1003.

- Use the **Section 35 HPML** form or **Section 32 HOEPA** form to determine the Average Prime Offer Rate and the Last Rate Set Date to determine whether a loan exceeds the threshold for higher priced mortgage loans.

To Determine the Average Prime Offer Rate (APOR):

1 To find the APOR (field ID 3134), open the Section 35 HPML input form, and then click the **View Rate** button.

2 When the FFIEC APOR tables screen displays, click the appropriate link to view the Average Prime Offer Rates table provided by the FFIEC. (Based on the loan's amortization type, click the link for the Fixed Rate or Adjustable Rate tables.)

3 In the top row of the table (Term of Loan in Years), locate the applicable loan term column header.

4 Notice the dates (xx/xx/xxxx) listed in the far-left column in the table. Locate the row with the date that matches (or directly precedes) the loan's rate set date (i.e., the rate lock date (field ID 2089) or the last rate set date (field ID 3254)).

5 The APOR is the value where the applicable loan term and rate set date intersect. Enter this value in the APOR field (field ID 3134). Example: For a fixed loan with a term of 7 years and a Rate Lock Date of 1/4/2000, the average Prime Offer Rate is 7.47.

- Any time an Encompass Compliance Service (ECS) review or preview is run, the Average Prime Offer Rate value (field ID 3134) is automatically calculated and updated in the loan file based on the ECS calculation. The APOR also will change if loan factors, rate set or rate lock dates change.

- ECS reviews the loan terms (loan amount, lien position, etc.) and then selects an appropriate APOR based on the Rate Set Date. To determine the Rate Set Date, the ECS requires the following fields to be populated:

  • The Amortization Type (field ID 608)

  • The Loan Term (field ID 4)

- In addition, ECS determines which APOR to apply based on the following fields:

  • The Last Rate Set Date field (field ID 3253)

  NOTE:The APOR value in field 3134 is not recalculated when a loan team member clicks the Lock and Confirm button on the Secondary Registration tool to lock the loan rate and confirm the lock with the lock requestor. The APOR will automatically update if a subsequent ECS review is run.

  • The Last Rate Set Date field (field ID 3253)

  • If empty, it uses the Rate Lock Rate (field ID 761).

  • If both previous fields are empty, it uses the Closing Date (field ID 748) if the Closing Date is prior to the date the loan is submitted to ECS for review.

  • If the Closing Date occurs in the future or if all previous fields are blank, it uses the most recently published Index based on the Amortization Type and Loan Term.

Points and Fees
A loan must pass the Points and Fees test to qualify as a QM loan. Use the **Discount Points** and **Fee Details** buttons to enter additional information in the Bona Fide Discount Point Assessment Tool and Quick Entry [2010 or 2015] Itemization form so that the data can be used to calculate the QM qualification.

- Click the **Fee Details** button to open the Quick Entry [2010 and 2015] Itemization window and update the 2010 Itemization or 2015 Itemization form as needed.

- The **Reg Z Total Loan Amount** (field ID QM.X120) is automatically calculated based on the loan terms and finance charges. This value can be set up to be validated or overwritten by using the ECS.

- When applicable, you can click the blue **Lock** icon to manually lock the field, enabling you to enter a value that will not be overridden by data pulled from the other input forms. The system administrator may control access to this Lock icon via a Persona Access to Fields business rule.

- The **Current Qualified Mortgage Fee Threshold** field (field ID QM.X121) is automatically calculated. This calculation is based on the Note Loan Amount (field ID 2) to determine which threshold to apply. The threshold is then multiplied against the Reg Z Total Loan Amount (field ID QM.X120) to determine the Current Qualified Mortgage Fee Threshold. Based on the Note Loan Amount, the Current QM Fee Threshold is calculated as follows:

Current QM Fee Threshold (field ID QM.X121) Calculation:		
If Note Amount (field 2) >= $100,000	QM.X121 = QM.X120 x 3%	(rounded to two decimal places)
If Note Amount (field 2) >= $60,000, but < $100,000	QM.X121 = $3,000	
If Note Amount (field 2) >= $20,000, but < $60,000	QM.X121 = QM.X120 x 5%	(rounded to two decimal places)
If Note Amount (field 2) >= $12,500, but <$20,000	QM.X121 = $1000	
If Note Amount (field 2) < $12,500	QM.X121 = QM.X120 x 8%	(rounded to two decimal places)

Note: Field QM.X120 = Reg Z Total Loan Amount (i.e., Amount Financed - Points and Fees included in Total Loan Amount)

- The **Total points and fees applicable under section 32** (field ID S32DISC.X48) is calculated by pulling information from various sources in Encompass including the following items.

  NOTE: The calculation for this field is date-specific and will vary between loan applications taken before January 10, 2014 versus on or after January 10, 2014. Encompass uses the value in the Application Date field (field ID 745) to trigger the appropriate points and fees calculation. For purposes of Qualified Mortgages and High Cost loans made on or after January 10, 2014, Encompass uses the Application Date to apply new calculations that are expected based on the new rules' effective date. HOEPA Section 32 and ATR/QM Section 43 rules use the same methodology to calculate total loan amount and total points and fees but each rule applies its own threshold. Files with application dates prior to January 10, 2014 will be calculated in a way that is consistent with HOEPA Section 32 calculations that were in effect for loan applications taken prior to January 10, 2014. For Encompass clients who utilize the Encompass Compliance Service (ECS), ECS compares the Application Date(s) entered in fields 745, 3142 and 3292 and runs its calculations based on the earliest date entered in those three fields.

  NOTE: For detailed information about the input forms and tools in Encompass to use when calculating points and fees, refer to the Working with HOEPA and Ability-to-Repay Regulations white paper.

Discount Points

Click the **Discount Points** button to open the Bona Fide Discount Point Assessment quick entry window and document whether or not discount points can be excluded from Section 32 Points & Fees by meeting the standards used to determine whether or not the discount points are bona fide.

The Bona Fide Discount Point Assessment quick entry window enables lenders to document whether or not Discount Points can be excluded from Sec 32 Points and Fees by meeting the standards used to determine if the discount points are bona fide.

The following information is displayed in the Bona Fide Discount Point Assessment tool:

- Note Rate and Associated Discount Points being paid by the consumer

- Starting Adjusted Rate and Discount Points associated with the starting adjusted rate

- Undiscounted Rate

- Average Prime Offer Rate

- Rate Reduction Basis used to document that the meaningful reductions in rate was calculated in a manner consistent with established industry practices

The displayed information is used to determine the amount of discount points that can be deemed Bona Fide based on the:

- Amount of discount points that can be excluded based on the difference between the started adjusted rate and the APOR

- Amount of discount points that can be excluded based on a meaningful reduction in rate

- Amount of discount points that can be excluded based on points that exceed the points associated with the starting adjusted rate

Based on the results of all three assessments listed above, a final value of discount points eligible for Bona Fide consideration is displayed.

Enter information in the editable fields of the Bona Fide Discount Point Assessment quick entry window using the instructions below. The calculated fields are automatically populated using the information you enter.

To review the field definitions for the Quick Entry - Bona Fide Discount Point Assessment fields, refer to Appendix A in the Working with HOEPA and Ability-to-Repay Regulations white paper.

To Use the Tool:

1 In the Points and Fees section on the ATR/QM Management input form (Qualification tab), click the **Discount Points** button to open the tool.

2 In the Starting Adjusted Rate row:

- Starting Adjusted Rate (field ID NEWHUD.X1720) - Enter the interest rate from which the mortgage's interest rate will be discounted.

- Starting Adjusted Discount Points % (field ID NEWHUD.X1721) - Enter the charge paid by the borrower (expressed as a percentage of the loan plus any flat charge) to obtain a lower interest rate. Any discount points associated with the Starting Adjusted Rate are required to be included in Reg Z Total Points and Fees for HOEPA and ATR/QM.

- Starting Adjusted Discount Points $ (field ID NEWHUD.X1722) - Enter the charge paid by the borrower (expressed as a flat charge) to obtain a lower interest rate. Any discount points associated with the Starting Adjusted Rate are required to be included in Reg Z total Points and Fees for HOEPA and ATR/QM.

3 In the Rate Reduction Basis row:
- Rate Reduction Basis Points (field ID QM.X365) - Enter the amount of basis points in which the final note rate is reduced from the starting adjusted rate.
- Rate Reduction Discount Points % (field ID QM.X366) - Enter an amount equal to a percent of the loan amount to compare the number of discount points being charged against the amount of basis points the note rate is being reduced by. For example enter 1% if the value in <rate reduction basis points %> is 0.250 to reflect a requirement that the note rate be reduced by 0.25% for 1% in discount points being charged.

4 When finished, click **Close**.

Fee Details

Click the Fee Details button to open the Quick Entry - [2010 or 2015] Itemization window and update the 2010 Itemization or 2015 Itemization form as needed.

- Fields in the *Fees from Itemization* section are calculated based on values entered on the 2010 or 2015 Itemization form.
- Fields in the *Fees included in Points and Fees Test* section are populated based on Encompass Compliance Service (ECS) reviews or you can enter data accordingly.
- Under the new points and fees calculation, all fees that are paid to a Lender, Broker or affiliate will be included within the points and fees test. This also includes compensation paid to Mortgage Brokers.

Residual Income Guidelines

- Total Loan Amount is auto-populated from entries in the 1003 Loan Application and Borrower Summary forms.
- If you are an Encompass Compliance Service Customer:
1 Enter the Family Size.
2 Click the **Get Residual Income** button. The Residual Income Guidelines field is populated.
- If you are not an Encompass Compliance Service Customer:
1 Enter the Family Size.
2 Click the Country Region field's **Lookup** icon (magnifying glass).
3 Using the residual income by region tables provided, locate the appropriate table based on the loan amount ($79,999 and below or $80,000 and above), and then locate the region and family size of the borrower.

4 Enter the dollar amount from the table in the Residual Income Guidelines field.

- Select the **Yes** or **No** check box to indicate whether the veteran has been more than 30 days late on a payment in the last 6 months.

NOTE: According to the interim final rule defining a qualified mortgage for VA loans, in order for a VA IRRRL to be considered a safe harbor QM the loan must meet several conditions including the veteran has not been more than 30 days past due during the 6 months preceding the new loan's closing date.

ATR/QM Eligibility Tab

This tab provides a matrix to help identify the factors and eligibility used to determine compliance with general ability-to-repay standards, eligibility for Qualified Mortgage status, or exemption from the CFPB ATR/QM requirements. In addition, the matrix assesses Safe Harbor eligibility and also provides a section to document the reasons a loan may be exempt from the ATR/QM requirements.

ATR/QM Management				
Basic Info	Qualification	ATR/QM Eligibility	Non-Standard to Standard Refi.	Appendix Q

ATR/QM Recommendation

Ability-to-Repay Loan Type	🔒	Qualified Mortgage ▼
Qualified Mortgage Loan Type	🔒	Small Creditor QM ▼
Is Loan Eligible for Safe Harbor?	🔒	Yes ▼

ATR/QM Eligibility

✔ Meets ATR/QM Standard 🚩 Does not meet ATR/QM 🚩 Needs to be reviewed	General Ability-to-Repay	General Qualified Mortgage	Agency/GSE Qualified Mortgage	Small Creditor Qualified Mortgage
	✔	🚩	🚩	✔
Loan Term		✔	✔	✔
Loan Features				
Interest Only		✔	✔	✔
Negative Amortization		✔	✔	✔
Balloon Payment		🚩	🚩	✔
Prepayment Penalty		✔	✔	✔
Points and Fees Limit		✔	✔	✔
Debt to Income Ratio	✔	🚩	✔	✔
Residual Income	✔	✔	✔	✔
Monthly Payment				

ATR/QM Recommendation

The ATR/QM Recommendation indicates the type of ATR/QM loan the current loan is eligible for. The values populated here are based on the total assessment made in the ATR/QM Eligibility matrix.

- **Ability-to-Repay Loan Type** - This field is populated with one of the drop-down selections below based on the following logic. Click the blue **Lock** icon to override this logic and select the desired option.

  - **Exempt** - You would select this option if the loan is exempt from ATR/QM requirements. You would indicate this by selecting the **Transaction is exempt from Reg. Z Ability to Repay requirements based on** check box (field ID QM.X103) and then selecting the reason why the loan qualifies for exemption.

  - **General ATR** - Selected if the loan is not eligible to be a Qualified Mortgage (QM), but is eligible for General Ability-to-Repay (ATR). Eligibility is indicated in the ATR/QM Eligibility table. A green check mark in the General Ability-to-Repay column header indicates that the loan meets the ATR Standard.

  - **Non-Standard to Standard Refinance** - You may select this option if the creditor for the refinance transaction is the current holder of the non-standard mortgage or servicer acting on behalf of the current holder. This option may give more flexibility in refinancing a non-standard mortgage (which includes various types of mortgages that can lead to payment shock and can result in default) into a standard mortgage without having to meet the General ATR requirements or the General QM DTI requirements.

  - **Qualified Mortgage** - This option is selected when a loan is determined to have met all of the requirements for one of the Qualified Mortgage types (General, Agency/GSE, FHA or Small Creditor) as indicated by a green check mark displayed above any one of the Qualified Mortgage columns in the ATR/QM Eligibility matrix.

- **Qualified Mortgage Loan Type** - This field is populated with one of the following options only if the Ability-to-Repay Loan Type (field ID QM.X23) is Qualified Mortgage. Click the blue Lock icon to override this logic and select the desired option.

- **General QM** - Selected if the General Qualified Mortgage eligibility standard is met. (This is indicated in the ATR/QM Eligibility matrix.) The following requirements must be met in order to qualify for General QM. When all are met, all the factors under the General Qualified Mortgage column header will display a green check mark:

  - **Loan Term** - The Loan Term (field ID 4) is less than or equal to 360 months.

  - **Loan Features**:

- **Interest Only** - The loan cannot feature any interest only payments. The Transaction Details Interest Only Months field (field ID 1177) must be empty or 0 may be entered.

  NOTE:Loans originated in Encompass 8.1.0.3 or earlier may not trigger the green check mark indicator for the Interest Only factor accurately. If necessary, open the file in Encompass 9.0 or later and simply enter any value in field 1177, save the loan file, clear the value from the field (or enter 0), and then save the loan file again. This sequence is not required for loans originated in Encompass 9.0 or later.

- **Negative Amortization** - The ARM Recast Period/ Stop fields (field IDs 1712 and 1713) are both empty (i.e., no values entered).

- **Balloon Payment** - The loan cannot feature a balloon payment. The Loan Term (field ID 4) and the Loan Due In (field ID 325) values must be equal. If the Loan Due In value is less than the Loan Term value, a red flag will display for the Balloon Payment factor in the ATR/QM Eligibility matrix and the loan will not meet General QM standards.

- **Prepayment Penalty** - The Amortization Type (field ID 608) is Fixed

  AND

  the Prepayment Penalty Period (field ID RE88395.X316) is less than or equal to 36

  AND

  the Prepayment Penalty entered as a percentage (field IDs 1948, 1973, 1976, 1979, 1982) or the Maximum Prepayment Penalty entered as a percentage (field ID QM.X112) are all less than or equal to 2.000% or all of these fields are blank.

- **Points and Fees Limit** - The Total points and fees applicable under section 32 (field ID S32DISC.X48) is less than or equal to the Current Qualified Mortgage Fee Threshold (field ID QM.X121).

- **Debt to Income Ratio** - The following check boxes on the Underwriter Summary are selected to indicate that they have been assessed by the underwriter AND the total debt ratio is less than or equal to 43.000%.

- Monthly Covered Loan Payment (field ID QM.X338)

  - Monthly Simultaneous Loan Payment (field ID QM.X339)

  - Monthly Mortgage Related Obligations (field ID QM.X340)

  - Debt Obligations (field ID QM.X341)

  - Child Support Obligations (field ID QM.X342)

  - Alimony Obligations (field ID QM.X343)

  - Current or Expected Income (field ID QM.X345)

  - Debt to Income Ratio (field ID QM.X348)

- **Residual Income** - The Residual Income check box (field ID QM.X348) on the Underwriter Summary is selected to indicate that this factor has been assessed. Note that this factor is not required to qualify for General QM. If the factor is not assessed, a blue flag indicator displays in the matrix.

- **Monthly Payment and Consider and Verify Factors** - All of these factors are required. In order for green check marks to display for each factor, the corresponding check box on the Underwriter Summary must be selected. To view the field mapping between the check boxes on the Underwriter Summary and these factors in the matrix, refer to the Field Mapping Between Underwriter Summary Evaluation Fields and ATR/QM Eligibility Matrix section on the Underwriter Summary help topic.

    NOTE: The Underwriter Summary is available in Encompass Banker Edition only. Encompass Broker Edition is unable to provide an automated assessment of the ATR and QM types on the ATR/QM Management tool's ATR/QM Eligibility form due to the absence of the Underwriter Summary, however all other ATR/QM functionality is available.

- **Agency/GSE QM** - Selected if the Agency/GSE Qualified Mortgage eligibility standard is met. This is also known as a *Temporary QM*. (This is indicated in the ATR/QM Eligibility matrix.) The following requirements must be met in order to qualify for Agency/GSE QM. When all are met, all of the factors under the Agency/GSE Qualified Mortgage column header will display a green check mark.

    Agency/GSE QM Requirements

    - **Loan Term** - The Loan Term (field ID 4) is less than or equal to 360 months
    - **Loan Features**:
        - **Interest Only** - The loan cannot feature any interest only payments. The Transaction Details Interest Only Months field (field ID 1177) must be empty or 0 may be entered.
        - **Negative Amortization** - The ARM Recast Period/Stop fields (field IDs 1712 and 1713) are both empty (i.e., no values entered).
        - **Balloon Payment** - The loan cannot feature a balloon payment. The Loan Term (field ID 4) and the Loan Due In (field ID 325) values must be equal. If the Loan Due In value is less than the Loan Term value, a red flag will display for the Balloon Payment factor in the ATR/QM Eligibility matrix and the loan will not meet General QM standards.

        NOTE: The Underwriter Summary is available in Encompass Banker Edition only. Encompass Broker Edition is unable to provide an automated assessment of the ATR and QM types on the ATR/QM Management tool's ATR/QM Eligibility form due to the absence of the Underwriter Summary, however all other ATR/QM functionality is available.

- **Prepayment Penalty** - The Amortization Type (field ID 608) is Fixed

    AND

    the Prepayment Penalty Period (field ID RE88395.X316) is less than or equal to 36 (or blank)

    AND

    the Prepayment Penalty entered as a percentage (field IDs 1948, 1973, 1976, 1979, 1982) or the Maximum Prepayment Penalty entered as a percentage (field ID QM.X112) are all less than or equal to 2.000% or all of these fields are blank.

- **Points and Fees Limit** - The Total points and fees applicable under section 32 (field ID S32DISC.X48) is less than or equal to the Current Qualified Mortgage Fee Threshold (field ID QM.X121).

- **Debt to Income Ratio** - The following check boxes on the Underwriter Summary are selected to indicate that they have been assessed by the underwriter AND the AUS Recommendation (field ID 1544) must be *Approve/Eligible, Accept/Eligible, Approve Eligible,* or *Accept Eligible* (for DU) or *Accept, Approve, Approve/Eligible, ApproveEligible, Approve Eligible, AcceptEligible, Accept/Eligible,* or *Accept Eligible* (for LP). Encompass also accepts one of the three manual underwriting methods as an alternative to AUS results.

    - Monthly Covered Loan Payment (field ID QM.X338)
    - Monthly Simultaneous Loan Payment (field ID QM.X339)
    - Monthly Mortgage Related Obligations (field ID QM.X340)
    - Debt Obligations (field ID QM.X341)
    - Child Support Obligations (field ID QM.X342)
    - Alimony Obligations (field ID QM.X343)
    - Current or Expected Income (field ID QM.X345)
    - Debt to Income Ratio (field ID QM.X348)

- **Residual Income** - The Residual Income check box (field ID QM.X348) on the Underwriter Summary is selected to indicate that this factor has been assessed. Note that this factor is not required to qualify for Agency/GSE QM. If the factor is not assessed, a blue flag indicator displays in the matrix.

- **Monthly Payment and Consider and Verify Factors** - All of these factors are required. In order for green check marks to display for each factor, the corresponding check box on the Underwriter Summary must be selected. To view the field mapping between the check boxes on the Underwriter Summary and these factors in the matrix, refer to the *Field Mapping Between Underwriter Summary Evaluation Fields* and A*TR/QM Eligibility Matrix* section on the Underwriter Summary help topic.

- **FHA QM** - Selected if the FHA Qualified Mortgage eligibility standard is met. For the most part, the FHA QM assessment considers the same factors as the Agency/GSE QM eligibility assessment, except that the FHA has a unique threshold for FHA Qualified Mortgage Safe Harbor. This option is automatically selected when you select FHA for the Loan Type (field ID 1172), the Case Assignment Date (field ID 3042) is on or after January 10, 2014 (or blank), and the loan meets all Agency/GSE Qualified Mortgage requirements.

- **Small Creditor QM** - Selected only if the administrator has indicated that your company is a small creditor (using the ATR/QM section of the Organization Details setting) and if the loan meets the following requirements. When all are met, all of the factors under the Small Creditor Qualified Mortgage column header will display a green check mark.

   NOTE: In order to qualify for Small Creditor QM, the loan must not meet the standards for General Qualified Mortgage, Agency/GSE, or FHA Qualified Mortgage.

Small Creditor QM Requirements

- **Loan Term** - If the loan does not feature a balloon payment, the Loan Term (field ID 4) must be less than or equal to 360 months. If the loan does feature a balloon payment, the Loan Term must be between 60 - 360 months.

- **Loan Features**:

- **Interest Only** - The loan cannot feature any interest only payments. The Transaction Details Interest Only Months field (field ID 1177) must be empty or 0 may be entered.

- **Negative Amortization** - The ARM Recast Period/Stop fields (field IDs 1712 and 1713) are both empty (i.e., no values entered).

- **Balloon Payment** - If the loan does not feature a balloon payment, the Loan Term (field ID 4) must be less than or equal to 360 months. If the loan does feature a balloon payment, the Loan Term must be between 60 - 360 months.

- **Prepayment Penalty** - The Amortization Type (field ID 608) is Fixed

   AND

   the Prepayment Penalty Period (field ID RE88395.X316) is less than or equal to 36 (or blank)

   AND

   the Prepayment Penalty entered as a percentage (field IDs 1948, 1973, 1976, 1979, 1982) or the Maximum Prepayment Penalty entered as a percentage (field ID QM.X112) are all less than or equal to 2.000% or all of these fields are blank.

- **Points and Fees Limit** - The Total points and fees applicable under section 32 (field ID S32DISC.X48) is less than or equal to the Current Qualified Mortgage Fee Threshold (field ID QM.X121).

- **Debt to Income Ratio** - The following check boxes on the Underwriter Summary are selected to indicate that they have been assessed by the underwriter:

   - Monthly Covered Loan Payment (field ID QM.X338)

   - Monthly Simultaneous Loan Payment (field ID QM.X339)

   - Monthly Mortgage Related Obligations (field ID QM.X340)

   - Debt Obligations (field ID QM.X341)

   - Child Support Obligations (field ID QM.X342)

   - Alimony Obligations (field ID QM.X343)

   - Current or Expected Income (field ID QM.X345)

   - Debt to Income Ratio (field ID QM.X348)

- **Residual Income** - The Residual Income check box (field ID QM.X348) on the Underwriter Summary is selected to indicate that this factor has been assessed. Note that this factor is not required to qualify for Agency/GSE QM. If the factor is not assessed, a blue flag indicator displays in the matrix.

- **Monthly Payment and Consider and Verify Factors** - All of these factors are required. In order for green check marks to display for each factor, the corresponding check box on the Underwriter Summary must be selected. To view the field mapping between the check boxes on the Underwriter Summary and these factors in the matrix, refer to the Field Mapping Between Underwriter Summary Evaluation Fields and ATR/QM Eligibility Matrix section on the Underwriter Summary help topic.

   NOTE: The Underwriter Summary is available in Encompass Banker Edition only. Encompass Broker Edition is unable to provide an automated assessment of the ATR and QM types on the ATR/QM Management tool's ATR/QM Eligibility form due to the absence of the Underwriter Summary, however all other ATR/QM functionality is available.

- **Small Creditor Rural QM** - Selected only if the administrator has indicated that your company is a rural small creditor (using the ATR/QM section of the Organization Details setting) AND the Subject Property is in a Rural/Underserved Area check box (field ID 3850) is selected in the loan file AND the loan meets the following requirements (as indicated by a green check mark in the ATR/QM Eligibility matrix).

   NOTE: In order to qualify for Rural Small Creditor, the loan must not meet the standards for General Qualified Mortgage, Agency/GSE Qualified Mortgage or FHA Qualified Mortgage.

Small Creditor Rural QMRequirements

- **Loan Term** - If the loan does not feature a balloon payment, the Loan Term (field ID 4) must be less than or equal to 360 months. If the loan does feature a balloon payment, the Loan Term must be between 60 - 360 months.

- **Loan Features**:

  - **Interest Only** - The loan cannot feature any interest only payments. The Transaction Details Interest Only Months field (field ID 1177) must be empty or 0 may be entered.

  - **Negative Amortization** - The ARM Recast Period/Stop fields (field IDs 1712 and 1713) are both empty (i.e., no values entered).

  - **Balloon Payment** - If the loan does not feature a balloon payment, the Loan Term (field ID 4) must be less than or equal to 360 months. If the loan does feature a balloon payment, the Loan Term must be between 60 - 360 months.

  - **Prepayment Penalty** - The Amortization Type (field ID 608) is Fixed

    AND

    the Prepayment Penalty Period (field ID RE88395.X316) is less than or equal to 36 (or blank)

    AND

    the Prepayment Penalty entered as a percentage (field IDs 1948, 1973, 1976, 1979, 1982) or the Maximum Prepayment Penalty entered as a percentage (field ID QM.X112) are all less than or equal to 2.000% or all of these fields are blank.

- **Points and Fees Limit** - The Total points and fees applicable under section 32 (field ID S32DISC.X48) is less than or equal to the Current Qualified Mortgage Fee Threshold (field ID QM.X121).

- **Debt to Income Ratio** - The following check boxes on the Underwriter Summary are selected to indicate that they have been assessed by the underwriter:

  - Monthly Covered Loan Payment (field ID QM.X338)

  - Monthly Simultaneous Loan Payment (field ID QM.X339)

  - Monthly Mortgage Related Obligations (field ID QM.X340)

  - Debt Obligations (field ID QM.X341)

  - Child Support Obligations (field ID QM.X342)

  - Alimony Obligations (field ID QM.X343)

  - Current or Expected Income (field ID QM.X345)

  - Debt to Income Ratio (field ID QM.X348)

- **Residual Income** - The Residual Income check box (field ID QM.X348) on the Underwriter Summary is selected to indicate that this factor has been assessed. Note that this factor is not required to qualify for Agency/GSE QM. If the factor is not assessed, a blue flag indicator displays in the matrix.

- **Monthly Payment and Consider and Verify Factors** - All of these factors are required. In order for green check marks to display for each factor, the corresponding check box on the Underwriter Summary must be selected. To view the field mapping between the check boxes on the Underwriter Summary and these factors in the matrix, refer to the *Field Mapping Between Underwriter Summary Evaluation Fields* and *ATR/QM Eligibility Matrix* section on the Underwriter Summary help topic.

  NOTE: The Underwriter Summary is available in Encompass Banker Edition only. Encompass Broker Edition is unable to provide an automated assessment of the ATR and QM types on the ATR/QM Management tool's ATR/QM Eligibility form due to the absence of the Underwriter Summary, however all other ATR/QM functionality is available.

- **VA QM** - Selected only when the loan type is **VA**, the Case Assignment Date field is on or after May 9, 2014 and all the factors under the Agency/GSE Qualified Mortgage column header are met (as indicated by a green check mark).

VA QM Requirements

- On the VA 26-0286 Loan Summary form, the **Yes** or **No** option must be selected for the **Loan processed under VA recognized automated underwriting system?** field (field ID VASSUM.X4).

- If **Yes** is selected for the VASSUM.X4 field, options must also be selected for:

- **Which system was used?** (field ID VASSUM.X17).

- **Risk Classification** (field ID VASSUM.X17).

- For VA QM eligibility, Encompass also looks to the AUS Recommendation (field ID 1544) and requires *Approve/Eligible, Accept/Eligible, Approve Eligible,* or *Accept Eligible* (for DU) or *Accept, Approve, Approve/Eligible, ApproveEligible, Approve Eligible, AcceptEligible, Accept/Eligible,* or *Accept Eligible* (for LP).

- If **No** is selected for VASSUM.X4, complete the manual underwriting process and, as an alternative to AUS results, select one of the three manual underwriting methods on page 1 of the Underwriter Summary tool.

Encompass reviews the transaction's eligibility for the specific QM loan types in the following order and recommends the loan type whose requirements are met first.

- Ability-to-Repay Loan Type - Exempt
- Qualified Mortgage Loan Type - General QM
- Qualified Mortgage Loan Type - Agency/GSE QM
- Qualified Mortgage Loan Type - FHA QM
- Qualified Mortgage Loan Type - VA QM
- Qualified Mortgage Loan Type - Small Creditor QM
- Qualified Mortgage Loan Type - Small Creditor Rural QM
- Ability-to-Repay Loan Type - General ATR

NOTE: Encompass relies on the underwriter's assessments indicated on the Underwriter Summary to provide an ATR/QM recommendation. The Underwriter Summary is available in Encompass Banker Edition only. Encompass Broker Edition will make assessments for the Loan Term, Loan Features, and Points and Fees Limit, but users need to click the blue Lock icons in the ATR/QM Recommendation section to lock these fields and manually select the appropriate Ability-to-Repay Loan Type, Qualified Mortgage Loan Type, and Is Loan Eligible for Safe Harbor options from the drop-down lists.

Is Loan Eligible for Safe Harbor? - This field is populated with one of the options below based on the following logic. Click the blue Lock icon to override this logic and select the desired option.

Yes - Selected if the Ability-to-Repay Loan Type (field ID QM.X23) is *Qualified Mortgage*, an option has been selected for Qualified Mortgage Loan Type (field ID QM.X24), and the selected QM loan type has met Safe Harbor Eligibility standards (as indicated by a green check mark in the Safe Harbor Eligibility section of the form).

No - Selected if the Ability-to-Repay Loan Type (field ID QM.X23) is *Qualified Mortgage*, an option has been selected for Qualified Mortgage Loan Type (field ID QM.X24), but the selected QM loan type has not met Safe Harbor Eligibility standards (as indicated by a red flag in the Safe Harbor Eligibility section of the form).

N/A - Selected if the Ability-to-Repay Loan Type (field ID QM.X23) is *Exempt* or *General ATR*.

ATR/QM Eligibility

This section supports both QM and Non-QM loan types. Non-QM loans are those that meet general ability-to-repay requirements or are exempt from ATR/QM regulations. Feedback on Safe Harbor eligibility for QM loans also is provided.

Based on the loan file's data and calculations provided in the Qualification form, the ATR/QM Eligibility matrix provides indicators to show the ATR/QM requirements that have or have not been met.

- A green check mark indicates that the factor is consistent with ATR/QM exceptions.
- A red flag indicates that the factor is not consistent with ATR/QM expectations.
- A blue flag indicates that the data relied upon in making the ATR/QM assessment is missing from the loan file.

If the loan file is exempt from ATR/QM requirements, select the **Transaction is exempt from Reg. Z Ability-to-Repay requirements based on** check box in the ATR/QM Exemption Eligibility section and then indicate the reason why the loan qualifies for exemption.

Safe Harbor Eligibility

A loan's eligibility for QM Safe Harbor is based on the QM type, lien position, and APR and APOR values.

- Encompass follows the guidance provided by the CFPB, and the applicable Agency, (as shown in the table below) when determining QM Safe Harbor eligibility.

Safe Harbor	First Lien	Second Lien
General QM	APR < 1.5% plus APOR	APR < 3.5% plus APOR
Agency/GSE QM	APR < 1.5% plus APOR	APR < 3.5% plus APOR
Small Creditor QM	APR < 3.5% plus APOR	APR < 3.5% plus APOR
Agency/GSE Small Creditor Balloon QM	APR < 3.5% plus APOR	APR < 3.5% plus APOR
Small Creditor Rural Balloon QM	APR < 3.5% plus APOR	APR < 3.5% plus APOR

VA Loan Safe Harbor Requirements

The Department of Veterans Affairs interim final rule on qualified mortgages that took effect on May 9, 2014 indicated that all purchase and refinance loans that receive the VA guaranty would be classified as safe harbor qualified mortgages, except for certain VA Streamline refinance loans.

The interim final rule also indicated that all Interest Rate Reduction Refinance Loans will be considered qualified mortgages, but not all IRRRLs (i.e., VA Streamlines) will receive the "safe harbor" protection.

For a VA Streamline to be considered a safe harbor qualified mortgage, the refinance must meet the following requirements:

- The loan being refinanced was originated at least six months before the new refinance closing date
- The borrower has no 30-day late payments during the six months preceding the refinance closing date
- The time it takes the borrower to recoup all allowable fees and charges financed into the new loan or paid at closing cannot exceed 36 months
- The loan must meet all other VA requirements. Refer to the interim final rule for these additional requirements.

ATR/QM Exemption Eligibility

The Exemption Eligibility section provides lenders with an area to document why a transaction is exempt from Reg Z ATR requirements. Multiple exemption elections may be indicated here.

If the loan file is exempt from ATR/QM requirements, select the **Transaction is exempt from Reg. Z Ability-to-Repay requirements based on** check box and then indicate the reason why the loan qualifies for exemption.

Non-Standard to Standard Refi. Tab

Many consumers have adjustable rate, interest only or negative amortization loans that they may not be able to afford when the loan recasts. To give lenders more flexibility to help these homeowners refinance, the ATR/QM rule gives some lenders the option to refinance a current non-standard mortgage (which includes various types of mortgages that can lead to payment shock and can result in default) into a standard mortgage without having to meet the rule's ATR requirements including considering the eight underwriting factors required for ATR.

NOTE: This non-standard to standard refinance option applies only to mortgages that the lender currently holds or services.

Use the Non-Standard to Standard Refi tab to determine if the loan meets the Non-Standard to Standard Refinance exemption from the Regulation Z Ability-to-Repay requirements.

While this option only applies to mortgages the lender currently holds or services, the following conditions must be met in order for a loan to qualify for the Non-Standard to Standard Refinance exception to ATR requirements:

- Payments under the new Refinance loan will not cause the principal to increase (field ID QM.X6).
- Consumer uses the proceeds to pay off the original mortgage and for closing or settlement charges and the consumer is not receiving cash out at closing (field ID NTB.X30).

- The consumer's monthly payment will materially decrease (field ID QM.X18)
- The consumer has no more than one 30-day late payment in the past 12 months and no late payments within the past six months (field IDs QM.X3 and QM.X4).
- The consumer's written application is received no later than two months after the non-standard mortgage has recast (field ID QM.X5).
- The lender has considered whether the standard mortgage is likely to prevent the consumer from defaulting on the non-standard mortgage once the loan is recast (field IDs QM.X16 and QM.X22).
- In addition to those eligibility conditions, there are additional guidelines the new standard mortgage must follow:
- The new mortgage cannot have deferred principal (field ID QM.X20), negative amortization (field ID NTB.X25), nor a balloon payment (field ID 1659).
- The points and fees must fall within the thresholds for QM (field ID QM.X21).
- The loan term cannot exceed 40 years (field ID 4).
- The interest rate must be fixed for at least the first five years of the loan (field ID QM.X17).

Based on the completion of the data in this eligibility assessment (and if the required conditions and guidelines have been met), you can document that the loan is eligible for the Non-Standard to Standard Refinance exception from Regulation Z Ability-to-Repay requirements.

To Print the Non-Standard to Standard Refinance Disclosure:

1 On the Non-Standard to Standard Refinance input form, click the Print icon.
2 The Non-Standard to Standard Refinance Eligibility form is listed in the Selected Forms list on the Print window. Click Print to print the form.

Appendix Q

Regulation Z Appendix Q provides lenders guidance on how to calculate a consumer's back-end debt-to-income ratio for purposes of the General QM debt-to-income ratio threshold. The ATR/QM Management tool's Appendix Q tab provides you with an independent worksheet to document various types of qualifying income in a manner consistent with Appendix Q. This worksheet is intended to give underwriters the ability to assess income independently from what was submitted by the consumer with their 1003 Loan Application.

Income Analysis

NOTE: The income values entered in this section should match the corresponding values entered on the 1003 Loan Application - Page 2. If corresponding values differ between the two forms, the printed Ability-to-Repay worksheet may render distorted ratios.

1 Click the **Import Income** button to import income values from the 1003 Loan Application - Page 2 into the Income Analysis section.

OR

Enter borrower and co-borrower gross monthly income information in the Monthly Employment Income section.

- To open a calculator to determine the monthly base income, click the Edit icons for the Base fields.

- To open a calculator to determine average monthly overtime, bonus, and commission income, click the Edit icon for the Overtime fields.

  - Enter the year, number of months (whole months only), and dollar amount for overtime, bonus, and commission income respectively.

- To open a calculator to determine monthly dividend and interest income, click the Edit icon for the Div. / Interest fields.

  - For dividend income, enter the year, number of months (whole months only), and dollar amount for the dividend.

  - For interest income, enter the year, number of months (whole months only), and dollar amount for the interest.

- To document self-employed income, enter the borrower's gross monthly income in the first Other field (QM.X142).

NOTE: When documenting self-employed income, It is recommended that the underwriter note a self-employed borrower or co-borrower in the Underwriter Comments (field ID 1216) on the Transmittal Summary.

- In the second Other field (field ID QM.X150), enter the monthly borrower and co-borrower income not already recorded in the Monthly Employment Income section.

  - To open a calculator to determine the sum of other income (retirement, Social Security, tips, seasonal compensation, etc.), click the Edit icon for the second Other field.

2 Enter borrower and co-borrower income information related to military, government assistance, mortgage credits, and homeowner subsidies in the Non-Employment Income section.

- To open a calculator to determine the sum of all military income, click the Edit icon for the Military fields.

3 Enter projected income information for the borrower and co-borrower in the Projected Income section.

4 Enter income information derived from non-taxable sources in the Non-Taxable Income section.

- To calculate the sum of military allowances such as clothing, rations, and housing quarters, click the **Edit** icon for the Military Allowances fields.

Debt/Obligation Analysis

1 Enter debts and obligations in the Recurring Obligations section. The first six records display in this section. Click the **Show All (VOL)** button to view a complete list of records on the Verification of Liabilities form and add, delete, and manage records and use the additional space provided to enter other obligations that may not be reflected in the credit report (alimony, job related expenses, etc.)

- Liabilities are shown as they are reflected in the credit report and values are automatically populated when a credit report is imported into Encompass.

2 The Contingent Liabilities on Assumed Mortgages and Contingent Liabilities on Cosigned Obligations sections explain how these types of mortgages are assessed under ATR/QM. Use the fields provided to document the contingent liabilities that are exempt from consideration in the consumer's General QM debt-to-income ratio.

NOTE: It is important to note that due to industry adoption of the 1003 Loan Application and FNMA 3.2. file format, the 1003 Loan Application continues to be the official source of income, debts, obligations, and mortgage payments being used to determine a consumer's debt-to-income ratio. Encompass uses the DTI ratios calculated from those values, while the Appendix Q worksheet is leveraged to document an independent assessment of the income assessed by the underwriter.

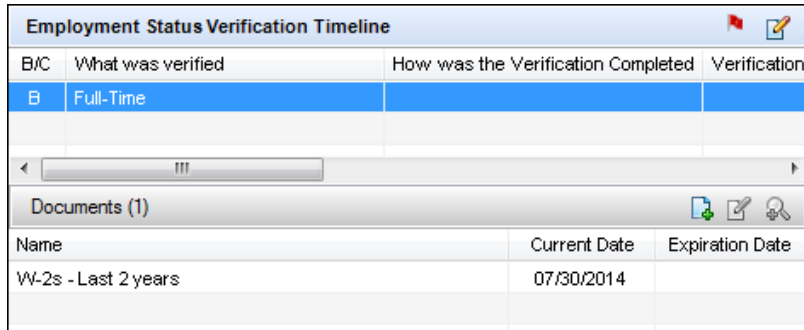## Verification and Documentation Tracking Tool

Use the Verification and Documentation Tracking tool to track the employment history, income, asset, and monthly obligation (liabilities) verifications that have been collected to help ensure you are making a qualified mortgage.

NOTE: Verification timeline tracking entries are created in the eFolder by clicking the ATR/QM button on the Document Details window for an eFolder document. The entries populate to the Verification and Documentation Tracking tool.

Documenting employment, income, asset, and liabilities information helps ensure compliance with the Consumer Financial Protection Bureau's (CFPB) amendment to Regulation Z (in effect for applications on or after January 10, 2014) that implements sections 1411, 1412, and 1414 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and prohibits creditors from making most residential mortgage loans against a closed end first or junior lien secured by a 1-4 unit dwelling unless the creditor makes a reasonable, good faith determination of the consumer's ability to repay the loan. In addition, the rule establishes certain protections for creditors who make a "qualified mortgage".
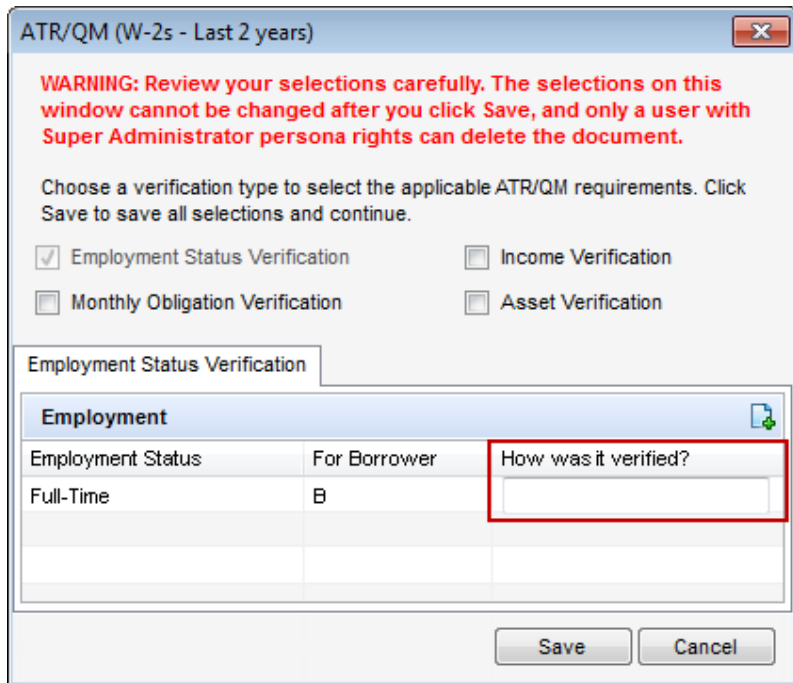
To Open the Verification and Documentation Tool:

1 Open a loan, and then click the **Tools** tab.

2 Click **Verification and Documentation Tracking**.

**To Edit an Existing Timeline Tracking Entry:**

1 Double-click a timeline entry.

2 On the ATR/QM pop-up window, click a cell in the **How was it verified?** column, and then enter or edit the verification method.
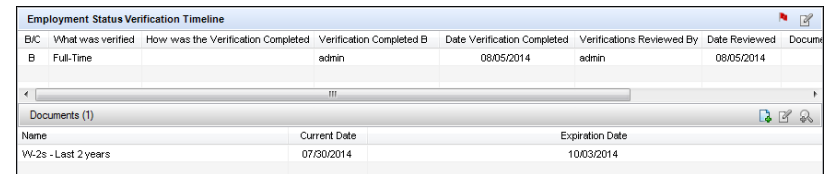

3 When finished, click **Save**.

To Edit a Document:

1 Double-click a document entry.

• The Document Details window for the document opens.

2 In the Tracking section, on the **Status** tab, adjust the expiration date or select check boxes to change the status.
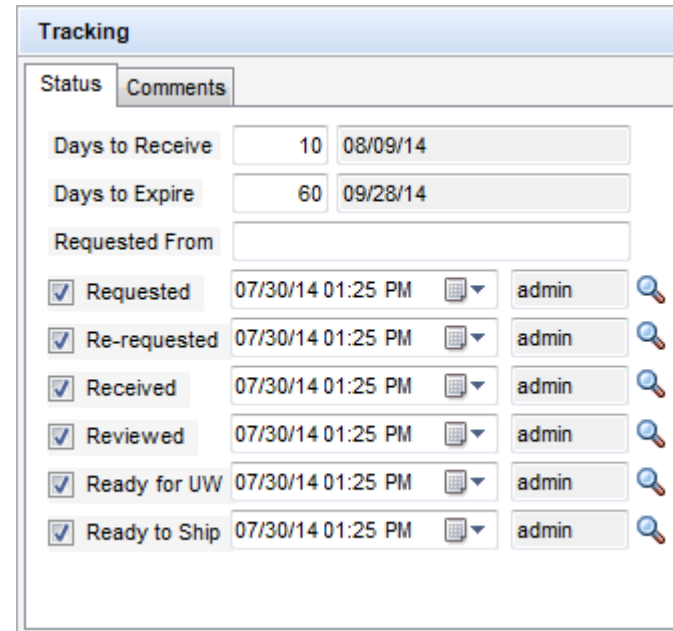
• The data is copied back to the Verification and Documentation Tracking tool.

Add a Verification Timeline and Document Tracking Entry:

NOTE: *The recommended best practice is to create tracking entries from your eFolder documents, but you can also add timeline tracking entries from the Verification and Documentation Tracking tool if needed.*

Use one of the Documents section to add a verification tracking entry associated with an eFolder document. Use the tracking entry to track when the verification was last performed and to view the expiration date for the employment status, income, asset, or liability that was verified.

To Add a Verification Timeline and Document Tracking Entry:

1 In the Documents section, click the **New** icon.

2 Select a document name from the drop-down list. The drop-down list consists of all available documents from the eFolder.
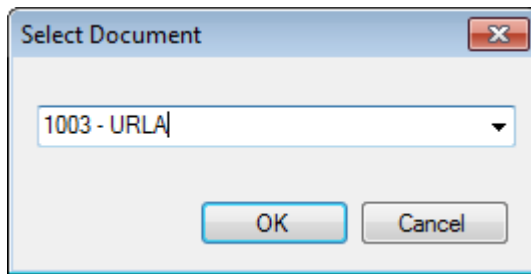
- The creation date and expiration date for the verification are imported from the eFolder document. Once the expiration date is reached, a new verification should be performed on the related employment status, income, asset or liability.

AUS Tracking Tool

Use the AUS Tracking tool to help ensure compliance with the Consumer Financial Protection Bureau's (CFPB) amendment to Regulation Z (effective on applications on or after January 10, 2014) that implements sections 1411, 1412, and 1414 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and prohibits creditors from making most residential mortgage loans against a closed end first or junior lien secured by a 1-4 unit dwelling unless the creditor makes a reasonable, good faith determination of the consumer's ability to repay the loan. In addition, the rule establishes certain protections for creditors who make a "qualified mortgage".

- Use this tool to document and track the results received from an Automated Underwriting System (AUS), i.e., Desktop Underwriter (DU) and Loan Prospector (LP), and ensure that the data in the loan file matches the data analyzed by the AUS when it returned its findings. Once an underwriting review is complete, authorized loan team members may add an entry to the Underwriting Decision History table. This entry is a snapshot of the data

analyzed by the AUS or underwriter. Keeping records of the underwriting decisions for the loan file is another step in helping document if you are making an Agency/GSE Qualified Mortgage.

- Once a DU Underwriting Findings report or a LoanProspector Full Feedback Certificate is returned from the AUS, an entry is automatically generated and added to the Underwriting Decision History table on the AUS Tracking tool. This entry provides a snapshot of the data analyzed by the AUS. The fields are read only and the data returned by the AUS will overwrite the data copied from the loan file.

   NOTE: *In order for the LoanProspector Full Feedback Certificate returned from Freddie Mac to be automatically generated and added to the Underwriting Decision History table, you must click the View Results > Send to Your System link on the Freddie Mac Loan Prospector page when retrieving the certificate in the Ellie Mae Network Services View.*

- Once an underwriting report is completed and returned from an underwriter (or an AUS other than DU or LP), authorized loan team members are required to manually create an entry in the tool's Underwriting Decision History table and enter the data that has been analyzed and returned by the underwriter or AUS. Again, this entry provides a snapshot of the data analyzed by the underwriter or AUS. The fields are read only and the data returned by the underwriter or AUS will overwrite the data copied from the loan file.

Keeping records of the underwriting decisions for the loan file is another step in helping document if you are making an Agency/GSE qualified mortgage.

To Open the AUS Tracking Tool:

1 Open a loan, and then click the **Tools** tab.

2 Click **AUS Tracking**.

AUS Tracking Section

The AUS Tracking section provides important values, dates, and time periods taken from the most recent AUS or underwriter findings. This data is pulled from the most recent record listed in the Underwriting Decision History table. Using the Underwriting Decision History table, you can create AUS findings records. A record is a snapshot of the data analyzed by the AUS or underwriter. A record is

automatically generated and added when an authorized Encompass user orders automated underwriting from DU or LP (via the Ellie Mae Network) or when an entry is manually added by an authorized loan team member.

- Click the **Copy to Transmittal Summary** button to copy the data in the Underwriting Risk Assess Type, If "Other" Description, AUS Recommendation, DU Case ID / LP AUS Key#, Doc Class (Freddie), and Submitted By fields to associated fields on the Transmittal Summary (form 1008) input form.

Underwriting Decision History

The Underwriting Decision History section lists records (i.e., history entries) of the various Underwriting Decisions that have been returned on the loan file.

An entry can be added to the Underwriting Decision History using two methods: automatically or manually.

Automatic Underwriting Decision History Entry

An Underwriting Decision History entry is automatically added when an authorized loan team member orders automated underwriting from Fannie Mae (Desktop Underwriter (DU)) or Freddie Mac (Loan Prospector (LP)). In the loan file, the user clicks the Services tab, clicks Request Underwriting, and then selects Fannie Mae DU or Freddie Mac's Loan Prospector as their automated underwriting service provider.

NOTE: In order for the LoanProspector Full Feedback Certificate returned from Freddie Mac to be automatically generated and added to the Underwriting Decision History table, you must click the View Results > Send to Your System link on the Freddie Mac Loan Prospector page when retrieving the certificate in the Ellie Mae Network Services View.

NOTE: You can select a different provider to provide automated underwriting, however an automatic entry will not be added to the Automatic Underwriting Decision History when findings are returned. To incorporate the AUS findings into the tool when not using DU or LP, add a manual entry to the Automatic Underwriting Decision History, and then order automated underwriting from your provider. When the findings are returned, update the information in the manual entry with the information from the returned findings and confirm there are no discrepancies between the loan snapshot data and the data used by the AUS. If discrepancies occur, check the data, and then order the AUS again.

To Manually Add an Underwriting Decision History Record

1 Click the **New** icon.

- The AUS Details window displays. Fields in the Loan Snapshot section are populated with current loan data. This section is read-only.

2 In the Automated Underwriting Findings/Feedback section, enter the underwriting findings details. The Underwriting Risk Assess Type (field ID AUS.X1) is required in order to add the record.

3 Click **OK**.

NOTE: If you select a provider other than Fannie Mae (DU) or Freddie Mac (LP) to provide automated underwriting, an entry will not be automatically generated and added to the Automatic Underwriting Decision History when findings are returned. To incorporate the AUS findings into the tool when not using DU or LP, add a manual entry to the Automatic Underwriting Decision History as described above, and then order automated underwriting from your provider. When the findings are returned, update the information in the manual entry with the information from the returned findings and confirm there are no discrepancies between the loan snapshot data and the data used by the AUS. If discrepancies occur, check the data, and then order from the AUS again.

4 Order underwriting for the loan file from   an underwriter or AUS provider other than DU or LP.

- To order underwriting in Encompass, click the **Services** tab, and then click **Request Underwriting**.

5 Once you receive the underwriting decision from the underwriter or AUS, open the Underwriting Decision History record you created in steps 1-2, and then update the fields in the Automated Underwriting Findings/Feedback section with the data that was returned.

6 Click **OK**.

To View Underwriting Findings:

- To view automated underwriting findings and the loan data analyzed by the AUS or underwriter, select the Underwriting Decision History entry, and then click the **View History** icon. This information is read-only.

- The record provides details about the underwriting decision and the loan data that was analyzed by the underwriter or AUS.

- To view additional AUS information for an automatic entry returned from DU or LP, select and open the entry by clicking the **View History** icon, and then click the **AUS Snapshot** button. The actual DU Underwriting Findings or LoanProspector Full Feedback Certificate displays in the Document Details window via the eFolder. The data in the report is read-only.

NOTE: A Fannie Mae snapshot format is used for findings from Fannie Mae's DU. A Freddie Mac snapshot format is used for findings from Freddie Mac's LP.

NOTE: The values in the AUS Details window are used to trigger an AUS Data Discrepancy alert when data is changed in the loan file and no longer matches the AUS Details data.

Affiliated Business Arrangements Input Form

To help ensure compliance with RESPA requirements for disclosing affiliated business relationships, the new Affiliated Business Arrangements input form enables companies with affiliated business relationships with multiple affiliates such as title companies and appraisal management companies to store information for each affiliate and provide a separate disclosure each affiliate independently.

To Add Affiliates to Affiliated Business Arrangements Input Form:

1   In Encompass, open a loan file, click the **Forms** tab, and then click **Affiliated Business Arrangements**.

2   Click the **New** icon.

3   In the Affiliate section, enter the affiliate's name, followed by the affiliate's details.

   • Click the **Address Book** icon to select a lender from your Business Contacts.

4   Repeat steps 2-3 to add additional business affiliates to the template.

5   To manage the list order of the affiliates at the top of form, select an affiliate and then click the **up** or **down** arrow to move the affiliate up or down in the list.

   The order of the affiliates within the list determines the sequence of the printed disclosures (the first affiliate's disclosure is printed first, and so on)

6   When finished, click **Save**.

Apply Template Button

If your Encompass administrator has created Affiliated Business Arrangement templates that are pre-populated with business affiliate information you can click the **Apply Template** button to automatically enter business affiliate information in the Affiliated Business Arrangements form rather than manually entering this information.

Home Counseling Providers Input Form

Amendments to RESPA (effective January 10, 2014) require that consumers be provided with a list of available home counselors for the area in which they live. The Consumer Financial Protection Bureau (CFPB) intends to coordinate with HUD on creating a web portal to generate this list. Encompass users can use this form to generate the list of home counselors to be included in the initial disclosure package and to indicate when home counseling is required and if so, which service was used and when home counseling was completed.

The form is divided into three panels: Home Counseling Providers, Home Counseling Provider List, and Home Counseling Provider.

To Add Home Counselors to the Home Counseling Providers Form:

1   In Encompass, open a loan file, click the **Forms** tab, and then click **Home Counseling Providers**.

2   In the Home Counseling Provider List panel in the middle of the form, click the **New** icon.

3   In the Home Counseling Provider panel near the bottom of the form, enter the housing counselor's contact details.

   • As you enter information in this section, it is displayed in the Home Counseling Provider List panel.

4 Repeat steps 2-3 to add additional home counselors to the Home Counseling Provider List.

*NOTE: The **Get Agencies** button is not operational at this time. This button will be available to import contact information for home counseling agencies from the Encompass Compliance Service in a future Encompass release.*

5 In the Home Counseling Provider List panel, select the check box for each counselor that you want to include in the list of counselors printed to the *Homeownership Counseling Organization List* output form that will be included in the initial disclosure package.

- If you do not select a counselor's check box here, the counselor will not be included in the list of home counselors printed on the *Homeownership Counseling Organization List* output form.

6 In the Home Counseling Providers panel, indicate when home counseling is required and if so, which service was used and when home counseling was completed.

- To automatically populate this information with specific counselor data, select a counselor in the Home Counseling Provider List in the middle of the screen. Then select the **Agency Used Indicator** check box located in the Home Counseling Provider panel.

7 When finished, click the **Save** icon.

Chapter 6

Secondary Marketing, Underwriting, Closing

The Lock Request and Secondary Marketing

Encompass Banker Edition provides a set of tools and features that support the requirements of the lock request and secondary marketing processes. Three tools are available for requesting and managing rate locks.

- **Lock Request tool** - Used to request a rate lock from the lock desk. Refer to "Lock Request Form" on page 425 for detailed information.

- **Secondary Registration tool** - Used to review rate lock requests, enter lock and pricing details, and lock rates. Refer to "Secondary Registration" on page 438 for detailed information.

- **Pipeline Display by Lock Requested** - The Pipeline contains an option to search for and display only those loans with an open lock request. Your system administrator can set the refresh rate on the Pipeline so that requests automatically display as they are received.

Lock Request Workflow

The default data in Encompass is configured to support the lock request management process as described on the following pages.

NOTE: *The Secondary Registration tool supports many additional options for registering and locking a loan, such as registering without locking a loan, initiating a new lock, and denying a lock request.*

Step 1: The Loan Officer Requests a Rate Lock

During the qualification of a new loan, the loan officer submits a rate lock request.

1   The loan officer completes preliminary borrower, property, and transaction information on the Borrower Summary and 1003 forms.

2   The loan officer then opens the Lock Request form, completes lock request information (including the base rate and base price information), and then submits the request.

   • A Lock Request entry is added to the Log.

   • The request is sent to the lock desk.

   • The lock request icon displays in the Pipeline for the loan.

Step 2: The Lock Desk Receives the Request

1   The lock desk displays loans on the Pipeline by Rate Lock Request.

2   The lock desk opens the new request.

   The loan opens with the Secondary Registration tool displayed.

3   The lock desk reviews the request and completes buy-side and sell-side lock and pricing information.

4   The loan is locked in one of two ways.

   • Lock and Confirm - The loan rate is locked, the requester (loan officer) is notified, an entry is added to the loan Log, and data in the loan file is updated. The request icon is changed to indicate that the request is locked.

   • Update Sell/Comparison - The loan is locked, but not confirmed with the loan officer. This is typically done to lock a loan internally that has not yet been registered with an investor.

5   The lock desk can also click **Deny Lock** to turn down the lock request.

   • The Lock Denial Comments window opens, on which the lock desk can enter comments.

   • When the lock desk user clicks **OK**, the Buy Side and Sell Side components of the request are cleared.

   • The status of the request is changed to Denied.

   • A log entry is created in the logs of both the requester and the lock desk user.

   • A Pipeline alert is created for both the requester and the lock desk, and the lock request icon is removed

NOTE: *If a lock expires on a Saturday, Sunday, or holiday, the expiration date is automatically adjusted to the next business day as determined on the Company Calendar in the Compliance Calendar setting under Loan Setup in the Encompass settings.*

Step 3: The Loan Officer Receives and Reviews the Confirmation

An alert is created on the loan officer's Pipeline and the lock request icon indicates that the request is locked.

1   The loan officer opens the loan.

   The loan opens with the Lock Confirmation details displayed.

2   The loan officer reviews the lock details and clears the alert.

NOTE: *The loan officer, or the lock desk user, can create additional rate lock requests, or lock extensions, for the same loan. The requests, and their statuses, are tracked in the Secondary Registration tool.*

Step 4: The Loan Officer Requests a Lock Extension (Optional)

If a rate lock is about to expire, the loan officer can request an extension from the lock desk.

1   On the Rate Lock Request form tool, click the **Request Extension** button.

2   On the Extension Request window, enter the Days to Extend, Price Adjustment, and Comments as needed, and then click the **Request Extension** button.

   • A lock request entry is added to the loan log.

   • The request is sent to the lock desk.

   • The **Lock Request** icon shows on the Pipeline.

   • The price adjustment is added as an entry in the Adj. Buy Price section of the Secondary Lock Tool.

NOTE: *If a lock extension expires on a Saturday, Sunday, or holiday, the expiration date is automatically adjusted to the next business day as determined on the Company Calendar in the Compliance Calendar setting under Loan Setup in the Encompass settings.*

The Underwriting Process

Encompass provides a set of tools and features that support the requirements of the underwriting process. Two tools are provided specifically to help the underwriter analyze and approve (or reject) a loan application.

- **Underwriter Summary tool** - Assemble the key information needed to determine the creditworthiness of the borrower, the value of the subject property, and if the loan should be approved. Refer to "Underwriter Summary" on page 453 for detailed information.

- **Underwriting Conditions** - Use the Underwriting Conditions tab in the eFolder to create, track, manage, and review the underwriting conditions for a loan, including viewing attached condition documents and adding, editing, and deleting conditions. Refer to "The Conditions Tabs" on page 278 for detailed information.

Underwriting Workflow

The default data is configured to support the underwriting process as described below. This includes assignment of an underwriter at the completion of the Submittal and Resubmittal milestones, as well as access by the underwriter to the appropriate tasks, tools, and forms.

Step 1: Processor Assigns the Underwriter

When the Submittal milestone is ready to be completed, the processor assigns the loan to an underwriter.

1 The processor opens the Documents tab in the eFolder and grants the underwriter access to selected documents. These are documents that the underwriter needs to analyze the loan.

To grant document access to the underwriter:

- On the Submittal milestone worksheet, click the **eFolder** button in the Documents section.

- On the **Documents** tab on the eFolder, select a document, and then click **Access**.

- On the Document Access Rights window, select the **Underwriter** check box, and then click **Save**.

2 On the Submittal worksheet, the processor assigns an underwriter to the loan, and then selects the **Finished** check box to submit the loan to the underwriter.

Step 2: Underwriter Reviews the Loan File and Conditionally Approves

1 On the Conditional Approval worksheet, the underwriter clicks **Accept File** to accept the loan and clear the alert.

   *NOTE: To reject the loan and return it to the previous milestone and the processor, the underwriter clicks **Return File to Sender***.

2 At the Conditional Approval milestone, the underwriter completes the following tasks.

   • Reviews the loan application and associated borrower and loan information.

   • Uses the Underwriting Conditions tab on the eFolder to review attached documents, including the credit, appraisal, and title reports.

   • Updates the Underwriting Summary with key information related to the creditworthiness of the borrower and the property value.

   • Creates, reviews, and clears conditions using the Underwriting Conditions tab on the eFolder.

3 When analysis of the loan is complete, the underwriter can conditionally approve the loan, or reject the loan and return it to the previous (Submittal) milestone.

   • On the Conditional Approval worksheet, the underwriter assigns a processor, and then selects the **Finished** check box.

   • Or, to return the loan to the previous milestone, the underwriter clicks **Return File to Sender**.

Step 3: Processor Completes Tasks for Resubmittal

1 At the Resubmittal milestone, the processor uses the Underwriting Conditions tab on the eFolder to address open conditions.

   • On the Underwriting Conditions tab, the processor reviews and addresses the requirements of each condition, marking the conditions as fulfilled.

2 When the required conditions are satisfied, the processor resubmits the loan to the underwriter.

   • On the Resubmittal worksheet, the processor assigns an underwriter, and then selects the **Finished** check box.

Step 4: Underwriter Reviews the Loan File and Gives Final Approval

1 At the Approval milestone, the underwriter again uses the Underwriting Conditions tool to review and clear conditions.

2 When the required conditions are satisfied, the underwriter approves the loan.

   • On the Approval worksheet, the underwriter assigns a processor, and then selects the **Finished** check box.

The Closing Process

The closing process in Encompass enables you to order and receive closing documents using a single source of information without leaving Encompass. When closing documents are returned, the closer can view, print, and then send the document package.

This chapter discusses the steps and guidelines to follow when proceeding through the closing process using the Encompass Docs Solution. The closing workflow consists of the following steps:

• Assign the Loan to a Closer
• Apply an Input Form Template for Closing
• Complete the Required Forms
• Check Closing Document Data
• Audit the Loan File
• Order the Closing Documents
• Preview, Print, and Send the Closing Documents

Step 1: Assign the Loan to a Closer

• When the Doc Preparation milestone is completed, the processor assigns the loan to a closer.

• To accept the file, the closer clicks the **Accept File (Clear Alert)** button on the Doc Signing worksheet.

Step 2: Apply an Input Form Template

Your administrator can create input form templates to be used by different loan team members. When you apply a template, the **Forms** tab displays only the forms needed to complete the loan work performed for a specific set of tasks. If your company has an input form template for closing, apply the template before you begin the closing process.

To Apply an Input Form Template:

1 On the Loan menu, click **Apply Input Form Set Template**.

   • This option replaces the current list of input forms on the **Forms** tab.

2 Double-click a template to apply it to the loan.

Step 3: Complete the Required Forms

The following forms are provided for entry of the data needed to order closing documents. The data required on each form will vary based on the requirements of each loan.

- RegZ-CD
- Borrower Information - Vesting
- Closing Vendor Information
- Property Information
- Aggregate Escrow Account
- Closing Disclosure Page 1
- Closing Disclosure Page 2
- Closing Disclosure Page 3
- Closing Disclosure Page 4
- Closing Disclosure Page 5
- Closing Conditions
- Additional Forms

RegZ-CD

The RegZ-CD input form provides the borrower with an overall view of the terms of the loan and its costs over time. It also contains information specific to the requirements for requesting closing documents. Many of the fields are already completed, based on entries on the 1003 and the Loan Estimate disclosure input forms. Review the closing doc data, select a Plan Code, review the information in the Alt. Lender, Disclosure Information, and Loan Information sections, and review or complete the mortgage insurance information based on your company's policy.

Review Closing Document Data
Use the **Closing Document Data** button to review and confirm the accuracy of the lender and investor data that will be applied to closing documents. If necessary, change the data here and in the loan file. Please note that any changes you make here apply to the current loan file only.

To Review Closing Document Data:

1 At the top-right of the Closing RegZ input form, click the **Closing Document Data** button.

2 In the Closing Document Data window, click the **Lender Info** and **Lender Info Cont.** tabs to view lender data that is currently included in the lender settings. This information is added as part of the initial Encompass Docs Solution set up performed by Ellie Mae and your administrator. This information will print to your closing documents.

3 Click the **Investor Info** tab to view the investor data that is currently in the loan file. This information is populated based on the plan code currently applied to the loan.

4 To change a field on either tab, click the slider to the left of the field and enter or select a value. Changes made here are applied to the current loan file only.

- To make changes to the default lender and investor data that is applied to the closing documents, contact your Ellie Mae account representative.

NOTE: Trustee beneficiary language on state-require security instruments will default to whoever your company is using for the title company unless your company has decided to use a specified trustee. States where non-title company trustees can be selected include AK, AR, AZ, CA, DC, ID, MD, MO, MS, MT, NC, NE, NM, NV, OR, TN, TX, UT, VA, WA, and WV.

5 When finished, click **OK**.

Plan Codes

The plan code is used to select a loan program to apply to a loan. Plan codes include information about the closing documents that are required for the loan, plus data related o the terms of the loan program. For example, ARM plan codes may contain data specific to an ARM loan program.

Plan codes can also include additional data that is used when preparing the closing docs, for example the mailing address that is used on the payment coupon. A plan code can be investor-specific, or your company can create your own plan codes.

NOTE: There are different plan codes used for eDisclosures and closing docs. Even if a plan code was previously applied when the eDisclosures were sent, you must apply a plan code on the RegZ-CD before you order closing docs.

If a plan code is not already selected, use the Plan Code feature to select a loan program to apply to the closing documents. Here you can select from a list of investor-specific plan codes or create your own custom plan code.

To Apply a New Plan Code to the Loan File and Closing Documents:

1 Click the **Plan Code** button.

- Only plan codes that match the current loan data are listed. To view all plan codes, click the **Clear Filter** button.

- If there is an investor associated with the plan code, the **Apply Investor Info** drop-down list displays in the lower-left corner of the Select Plan Code window. To apply investor information to the loan file and closing documents, select the investor from the drop-down list. The forms to include in the closing documents and/or the address to print on the forms for servicing may be determined by the investor you select here.

- You can perform a search by typing data into a field above a plan code column or by selecting an option from a column's drop-down list. Only plan codes containing the specified data are displayed.

- Click a column header to sort all plan codes in ascending or descending order based on the information in a column.

- To add a plan code to the list, click the **New** icon, and then select the plan code to add.

- To view a plan code's details, including the values that will be added to the loan file if selected, select the plan code, and then click the **View Plan Code Details** icon (magnifying glass).

2 Select a plan code, and then click **Select**.

- If any values in the loan file are different from the corresponding values in the selected plan code, the Plan Code Conflict window displays showing the affected fields. Conflicting loan data is identified by a red alert icon.

- Click the **Import Plan Data** button to overwrite the current loan data with the selected plan code data. These changes are applied to the loan immediately.

- Click **Skip Import** to continue ordering the closing documents without resolving the plan code conflicts.

- Click **Cancel** to close the Plan Code Conflict window without making any changes to the loan data. You can then update the applicable fields in the loan file to resolve any conflicts that were found.

The plan code data is populated into the RegZ-CD.

Alt Lenders

Use the Alternate Lender feature to view or select alternate lender information (description and code number) that displays on the closing documents. Ellie Mae will create your default Alternate Lender information during implementation or as the need arises.

To View or Select Lenders:

1. Open the RegZ-CD form and click the **Alt Lender** button.

   - The default lenders display on the Alt Lenders window.

2. To select a different lender, select a lender, and then click **Select**.

Loan Information

Review and complete the Loan Information section.

To Complete the Loan Information Section:

1 Make sure the Purchase Price is entered correctly, and then enter the 1st Payment Date and the CD Date Issued.

2 If you are using MERS, the MERS MIN field is populated from the Borrower Summery - Origination form.

3 Complete the following dates if they are not already populated:

- Application Date
- Rate Lock Date
- Rate Lock Expiration Date
- Document Date
- Closing Date
- Doc Signing Date
- Disbursement Date

4 Review the selections in the Purpose of Loan, Property Will Be section, and Loan Terms sections.

5 In the Days Per Year section, select an option from the **Number of Days** dropdown.

6 For interest only or adjustable rate mortgages, complete the Interest Only or Adjustable Rate Mortgage sections.

- For ARM loans, complete any information that is not already populated from other forms or from the plan code, and make sure the Floor Vrbg field contains the correct floor verbiage for the loan.

NOTE: For ARM loans, two tables displays near the Adjustable Rate Mortgage section on the RegZ-CD: the Adjustable Payment (AP) Table and the Adjustable Interest Rate (AIR) Table. These tables display payment and interest information based on the Adjustable Rate Mortgage entries.

7 In the Late Charge section, enter the number of late days and select an option from the drop-down list to select the amount used to calculate the late fee.

Mortgage Insurance

Based on your company's policy, review or complete the MI information. Use the MIP/PMI/Guarantee Fee Calculation tool to view details and recalculate mortgage insurance premiums and monthly payments if needed.

To Access the MIP/PMI/Guarantee Fee Calculation Tool:

1 On the Aggregate Escrow Account form, click the **Edit** icon for Mortgage Insurance.

2 Review the MI details on the MIP/PMI/Guarantee Fee Calculation tool and make adjustments as needed.

IMPORTANT: *If you are recalculating mortgage insurance on the MIP/PMI/Guarantee Fee Calculation tool, check to see if there is an Amount Paid in Cash already entered on the screen. If there is, make note of the amount and re-enter it after you click the* **GET MI** *button. Otherwise, the amount will be deleted.*

Borrower Information - Vesting

Use the Borrower Information-Vesting form to enter borrower information and define the ownership rights in the property, to enter corporation and trust information, if needed, and to create the vesting statement that is used in loan documents. You can also use the form to associate signers with borrower pairs, which configures the sequence of signers on the loan documents.

When closing docs are ordered, the Borrower Type selection controls the closing documents each borrower signs, and the Final Vesting to Read field is used to populate the Signature block on the Mortgage/Deed of Trust/Security Instrument.

NOTE: *By default, borrower information is copied from the 1003 form. If you add or edit borrower information on the Borrower Information-Vesting form, the changes are used to create the final vesting statement, but the changes are not copied back to the 1003 with the exception of changes to Social Security Numbers, which are copied back to the 1003.*

There are three types of entities recorded for vesting purposes:

• Individuals

• Trusts, including Inter Vivos trusts

• Corporations

Use the Corporation/Trust 1 and Trust 2 sections to enter information about a corporation or trust. Individual borrowers are copied from the 1003 Page 1 to the Vesting Information section. If a borrower is associated with a trust or corporation, use the Vesting Information section to assign the borrower to the trust or corporation. When you have completed all the necessary information for borrowers, trusts, and corporations, use the Vesting Information section to build the final vesting information that displays on closing docs.

NOTE: *If you have questions on your selection for trusts, refer to your in-house council or the attorney's opinion letter for the trust.*

Individuals

Use the Vesting Information section to edit the borrower information and create the vesting statement for individual borrowers who are not in a corporation of trust.

To Edit Vesting Information:

1 To edit borrower vesting information, double-click a name in the Vesting information section. The Borrower Vesting window opens.

NOTE: When you edit the borrower name on the Borrower Vesting window, it affects the borrower names and signature lines on the closing docs only. With the exception of Social Security Numbers, changes made to borrower vesting information are not reflected in the loan file and do not flow back to the 1003 and other input form. The initial disclosures continue to maintain the original borrower name as entered on the 1003.

• In the Borrower Name field, make sure the name displays as you want it to appear on the closing documents.

• In the Also Known As field, enter a name that the borrower has also used. Use semicolons to separate additional names.

• In the Social Security No. field, edit the borrower's social security number if necessary.

• In the Borrower Type field, select the option that describes the borrower's financial responsibility related to the loan and whether the borrower is listed on the title. The selected Type affects the documents included in the document set.

  • **Individual** - Obligated on loan, on title, signs all documents

• **Co-signer** - Obligated on loan, not on title, signs documents related to loan such as the note, but not documents related to the property such as the security instrument

NOTE: For a description of all borrower types, refer to the Borrower Types table on page 214.

• In the POA Borrower field, enter the name of the individual who has the power of attorney, if applicable. The name is printed on the closing docs.

• In the POA Signature field, enter the title or any additional signature text for the POA attorney.

  • This text is printed on closing docs directly after the attorney name.

  • If the field is blank, the text after the attorney name will default to the appropriate state-specific language, for example, Attorney-in-fact.

• On the **Vesting** list, click the option that describes the ownership rights of the borrower.

2 When finished, click **OK**.

3 Click the **Build Final Vesting** button to create the text for the vesting statement based on the vesting information above.

4 In the **Manner in which Title will be held** field, select the appropriate option.

Non-Borrowing Owners

When adding non-borrowing owners in Encompass 18.3 and later, it is important to always add them as non-borrowing owner contacts via the File Contacts tool. This ensures that the non-borrowing owner has full eFolder and eSigning functionality for the loan. When a non-borrowing owner is added via the Borrower Information - Vesting form, the borrower is not available as a recipient when sending eConsent requests, document requests, eDisclosure packages, files, and Status Online updates. And non-borrowing owners added via the Borrower Information - Vesting form will not have eSigning points added to eSignable documents.

Trusts

If the borrower is a trust, use the Corporation/Trust 1 and Trust 2 sections to enter information for as many as two trusts. After you add information for a trust, you can assign borrowers as trustees or settlors of the trust. The Final Vesting to Read field is used to populate all Signature lines in the closing docs as well as the Final Vesting to Read on the Mortgage/Deed of Trust/Security Instrument.

To Add a Trust:

1 In the Corporation/Trust 1 section, in the Corp/Trust Name field, enter the name of the trust.

2 In the Org. State field, select the name of the state in which the trust was formed.

3 In the Org. Type field, select **A [state name] Trust**.

4 Optionally, in the Tax ID/Trust No. field, enter the number of the trust instrument.

5 Optionally, in the Trust Date/Year field, enter the date the trust was incorporated.

6 Optionally, in the Amended Date/Year field, enter the date the original trust agreement was amended, if applicable.

7 If there is a second trust involved, enter the information in the Trust 2 fields.

8 In the Vesting Information section, double-click a borrower or co-borrower who is a member of the trust. The Borrower Vesting window opens.

9 Select the appropriate Borrower Type.

NOTE: *For a description of all borrower types, refer to the Borrower Types table on page 214.*

10 In the Trustee Of field, select Trust 1 or Trust 2 as appropriate.

11 In the POA Borrower field, enter the name of the individual who has the power of attorney, if applicable. The name is printed on the closing docs.

12 In the POA Signature field, enter the title or any additional signature text for the POA attorney.

- This text is printed on closing docs directly after the attorney name.

- If the field is blank, the text after the attorney name will default to the appropriate state-specific language, for example, Attorney-in-fact.

13 Select the **Authorized to Sign for Non-Intervivos Trusts** check box to authorize the borrower or co-borrower to sign closing documents.

14 On the **Vesting** list, select **Trustee** for all trustee types except Settlor. Leave the selection blank for a Settlor.

15 Click **OK**.

16 To add beneficiaries of the trust, click **Build Beneficiary** in the Corporation/Trust 1 or Trust 2 section. The names of the applicable borrowers and co-borrowers listed in the Vesting Information section are added to the beneficiary list.

- Manually add, remove, and edit the names on the beneficiary list as needed.

17 Leave the **Manner in which Title will be held** field blank.

18 For the Final Vesting To Read field, click the **Build Final Vesting** button to create the text for the vesting statement based on the vesting information.

- Manually edit the Final Vesting to Read text as needed.

19 In the **Manner in which Title will be held** field, select an option.

Inter Vivos Trusts

If the borrower is an Inter Vivos trust use the Corporation/Trust 1 and Trust 2 sections to enter information for as many as two Inter Vivos trusts. After you add information for a trust, you can assign borrowers as trustees or settlors of the trust. The Final Vesting to Read field is used to populate all Signature lines in the closing docs as well as the Final Vesting to Read on the Mortgage/Deed of Trust/Security Instrument.

To Add an Inter Vivos Trust:

1 In the Corporation/Trust 1 section, in the Corp/Trust Name field, enter the name of the trust.

2 In the Org. State field, select the name of the state in which the trust was formed.

3 In the Org. Type field, select An Inter Vivos Trust.

4 Optionally, in the Tax Id/Trust No. field, enter the number of the trust instrument.

5 Optionally, in the Trust Date/Year field, enter the date the trust was incorporated.

6 Optionally, in the Amended Date/Year field, enter the date the original trust agreement was amended, if applicable.

7 If there is a second trust involved, enter the information in the Trust 2 fields.

8 In the Vesting Information section, double-click the borrower or co-borrower who is a beneficiary of the trust.

9 Select the appropriate settlor/ trustee type from the Borrower Type list:

- **Settlor Trustee** - Obligated, on title. In the case of a *self-declared trust*, this individual is both the settlor and the trustee. They sign all documents in the package some documents as an individual, some as the trustee.

- **Settlor** - Obligated, not on title. This person owns the property and transferred their rights to a Trust. The person signs a limited number of documents as settlor.

- **Trustee** - Obligated, on title. This person has legal rights to the property and manages it on behalf of the Settlor for the beneficiaries. The person signs all documents in the package, some documents as an individual, some as the trustee.

- **Title Only Settlor Trustee** - Not obligated, on title. This person is a settlor trustee but is not on the loan. The person signs documents related to the property such as the security instrument, but not documents related to the loan such as the note.

- **Title Only Trustee** - Not obligated, on title. This person is a trustee but is not on the loan. The person signs documents related to the property such as the security instrument, but not documents related to the loan such as the note.

NOTE: *For a description of all borrower types, refer to the Borrower Types table on page 214. If you have questions on your selection for trusts, refer to your in-house council or the attorney's opinion letter for the trust.*

10 On the **Trustee Of** list, select the appropriate trust for the borrower.

11 In the POA Borrower field, enter the name of the individual who has the power of attorney, if applicable. The name is printed on the closing docs.

12 In the POA Signature field, enter the title or any additional signature text for the POA attorney.

- This text is printed on closing docs directly after the attorney name.

- If the field is blank, the text after the attorney name will default to the appropriate state-specific language, for example, Attorney-in-fact.

13 On the Vesting list, select Trustee for all trustee types except Settlor. Leave the selection blank for a Settlor.

14 Click **OK**.

15 To add beneficiaries of the trust, click **Build Beneficiary** in the Corporation/Trust 1 and/or Trust 2 section. The names of the applicable borrowers and co-borrowers listed in the Vesting Information section are added to the beneficiary list.

16 Click the **Build Final Vesting** button to generate the Final Vesting To Read field based on the vesting information.

- Manually edit the Final Vesting to Read text as needed.

17 In the Manner in which Title will be held field, select an option.

Corporations

Corporations are business entities, such as a corporations, LLC (limited liability company) or partnership. After you add information for a corporation, you can assign borrowers as officers of the corporation. The corporation name is pulled into the Borrower(s) field on the closing docs and the Build Final Vesting screen on the Borrower Information-Vesting form. The signature block on the closing docs includes the corporation name and the names/titles of corporation officers.

To Add a Corporation:

1   In the Corporation/Trust 1 section, in the Corp/Trust Name field, enter the name of the corporation.

2   In the Org. State field, click the name of the state in which the corporation was formed.

3   In the Org. Type field, select the type of business entity.

4   Optionally, in the Tax ID/Trust No. field, enter the tax identification number of the corporation.

5   In the Vesting Information section, double-click a borrower or co-borrower who is an officer of the corporation.

6   In the Type field, select **Officer**.

NOTE: For a description of all borrower types, refer to the Borrower Types table below. If you have questions on your selection for trusts, refer to your in-house council or the attorney's opinion letter for the trust.

7   In the POA Borrower field, enter the name of the individual who has the power of attorney, if applicable. The name is printed on the closing docs.

8   In the POA Signature field, enter the title or any additional signature text for the POA attorney.

   • This text is printed on closing docs directly after the attorney name.

   • If the field is blank, the text after the attorney name will default to the appropriate state-specific language, for example, Attorney-in-fact.

9   On the **Vesting** list, select the title of the officer.

10 Click **OK**.

11 Repeat steps 5-10 for additional borrowers who are officers of the corporation.

12 For the **Final Vesting To Read** field, click the **Build Final Vesting** button to create the text for the vesting statement based on the vesting information.

- Manually edit the **Final Vesting to Read** text as needed.

Manner in which Title will be held

Joint tenants ▼

Final Vesting To Read   Build Final Vesting

MY REAL ESTATE CORPORATION, INC., A CORPORATION, AND MARY ADDISON AS TRUSTEE OF MY REAL ESTATE CORPORATION, INC. UNDER TRUST INSTRUMENT 1111111111111 DATED 10/16/2012, JOINT TENANTS

13 In the **Manner in which Title will be held** field, select an option.

Borrower Types

The table below describes each borrower type, and indicates whether the borrower type is obligated to pay back the loan and is on the title (has rights to the property).

Type	Obligated	On Title	Description
Individual	✔	✔	Most common borrower type. Responsible for paying the loan. Full rights to the property. Signs all documents in the closing package.
Co-signer	✔		Responsible for paying loan if the individual defaults, but no rights to the property. Signs documents related to loan portion such as the note, but not documents related to the property such as the security instrument (mortgage/deed).
Title Only		✔	Not on the loan, but has rights to the property. Signs documents related to the property such as the security instrument, but not documents related to the loan such as the note. (Most common is Husband and Wife, but could be a parent and child.)
Non-Title Spouse			Not on the loan, no ownership rights to the property, but a security interest in contents inside the property. Signs documents to waive marital rights (also known as homestead or dower) indicating no claim to the property itself.
Trustee	✔	✔	Legal rights to the property. Manages it on behalf of the Settlor for the beneficiaries. Signs all documents in the package, some as individual, some as trustee.
Title Only Trustee		✔	A trustee, but not on the loan. Signs documents related to the property such as the security instrument, but not documents related to the loan such as the note.
Settlor Trustee	✔	✔	Both the settlor and the trustee for a self-declared trust. Signs all documents in the package, some documents as an individual, some as the trustee.
Settlor	✔		Owns the property and transfers the rights to the property to a Trust. Signs a limited number of documents as settlor.
Title Only Settlor Trustee		✔	A settlor trustee but not on the loan. Signs documents related to the property such as the security instrument, but not documents related to the loan such as the note.
Officer	✔	✔	Signs on behalf of the corporation or business entity that is on the title. All documents have the corporation name in the borrower field and the corporation name and officer name/title in the signature block.

Sellers

For Individual borrowers, trusts and corporations, use the Seller section to enter information for as many as four sellers. Completing this section is optional.

To Enter Seller Information:

1 Enter up to four individual seller names in the Seller fields in the left column.

Seller	
Seller 1	
Seller 2	
Seller 3	
Seller 4	

NOTE: By default, seller names are copied into this section from the File Contacts tool. Names entered manually in this section are copied back to the File contacts tool.

2 If the Seller is a corporation or trust, enter the corporation or trust information in the right column.

Corp Name	
Org. State	
Org. Type	
Tax ID	
Officer 1 Name	
Officer 1 Title	
Officer 2 Name	
Officer 2 Title	

3 Enter the corporation or trust name in the Corp Name field.

4 Select the Org. State in which the trust or corporation was formed.

5 Select an Org. Type from the list.

6 Enter the tax identification number of the corporation or the number of the trust instrument.

7 Enter the name and title for as many as two officers who are authorized to sign the loan documents for the corporation or trust.

Closing Vendor Information

The Closing Vendor Information form contains vendors associated with the closing process for a specific loan. The tool provides a convenient means of viewing and maintaining a loan's closing vendor information from one location. Some of the entries may already be populated based on information in the File Contacts tool. If you make changes to closing vendor information on this form, the changes will also be updated in the associated entry in the File Contacts tool.

Review the sections listed below before drawing closing docs to make sure the information is correct. Make sure the capitalization and punctuation are exactly as you want them to display on the closing docs.

• Lender

• Title Insurance Company

• Docs Prepared by - This name displays on the Lender Instructions

To Enter or Change Vendor Information:

1 Click the **Address Book** icon to select a vendor from your business contacts.

• On the Business Contacts window, select a vendor, and then click **Select**.

NOTE: If the appropriate category of vendors does not display when the Business Contacts window opens, click Clear and then select a Category.

2 Or, enter the vendor information.

• You can then right-click the contact fields to add a new contact to your business contacts.

3 Complete loan-specific information (such as Line Item Number, Reference Number, Relationship, and Comments) as required.

Property Information

Most of the information in the Subject Property section is already completed using data from the loan application. Review the information on the form and complete the fields listed below.

To Complete the Subject Property Section:

1 Validate the subject property address.

Subject Property				
Address	235 Marsh Rd.	First Time Home Buyer	Yes	
City	Concord	Condo / PUD Name	Amber Valley Village	
State	CA Zip 94521	# of Stories	2.0	
County	Contra Costa	Flood Cert Number	66666FL5555555	
Unincorporated Area	(area of Amber Valley)			
Flood Zone	A	☐ Subject Property is in a Rural Area		
Property Type	Detached	☐ Subject Property is in a Rural/Underserved Area		
# of Lot Acres	0.03	☐ Subject Property is a Condotel		
		☐ Subject Property is a Non-Warrantable Project		

2 If required, enter a Condo/PUD project HOA Name. The name of the condo development or PUD (planned unit development) exactly as you want it to display on the Mortgage/Deed of Trust/Security Instrument. This entry generates the name on the condo/PUD riders.

3 If the # of Stories field is not already populated, enter the number of stories in the condominium unit.

4 If the Flood Cert Number field is not already populated, enter the certification number listed on the report from the flood certification provider for the property.

5 If the subject property is located on land that is not part of an incorporated city, town, or village, enter the information in the Unincorporated Area field using parentheses with the words area of preceding the name.

- Example: (area of Greenlawn Springs).
- The legal description on the Mortgage/Deed of Trust/Security Instrument will display as:

  123 Main Street, (area of Greenlawn Springs) City of _____

6 Select a Flood Zone designation from the list, as indicated on the FEMA Flood Insurance Rate Map for the subject property.

- If the property is located in a flood zone, in the Notice of Flood Hazard section, select the appropriate check box and enter the Community Name, if applicable.

To Complete the Prelim Information Section:

Enter the book number and page number of the county records where the prior mortgage is recorded. The information displays on the tax information sheet.

1 Enter the Original Principal and Current Principal (any outstanding unpaid principal balance) for the prior mortgage.

Prelim Information			
Title Information			
Book	35625	Original Principal	100,000.00
Page	227	Current Principal	80,000.00
Parcel Number	18	Title Report Date	12/10/2013
Lot	7	Approved Items	
Block	2	Tax Message	2 installments of $367.35 are d
Section	5	Special Endorsements	

2 Enter the Original Principal and Current Principal (any outstanding unpaid principal balance) for the prior mortgage.

3 From the title report, enter the property's identification information in the Parcel Number, Lot, Block, and Section fields. The information displays on the tax information sheet.

4 In the Title Report Date field, enter the date the title report was issued.

5 In the Approved Items field, enter the item numbers (separated by commas) associated with the approved items on the title report. This information displays on the lenders instructions.

6 In the Tax Message field, enter notes related to taxes. This information is often related to property tax installments that are due.

7 In the Special Endorsements field, enter any specific title endorsements.

8 In the Legal Description field:

- Enter a legal description or copy and paste it from an electronic version of the title commitment
- Or click **Copy from Page 1 of 1003** to copy the description from the 1003.
- Or select the **Attach legal description** check box to indicate that the legal description will be included as a separate attachment.
  - The text "See exhibit A made to and here apart of" will be added to the Mortgage/Deed of Trust/Security Instrument.

- The legal description is NOT attached automatically to the closing documents. You will need to do that once you draw the documents. For more information about adding the description, see Select Documents on page 62.

9 In the Mineral Rights/Abbreviated Legal Description area, enter mineral rights information from the title report, if applicable. This area is also used to enter an abbreviated legal description if applicable.

Manufactured Housing Details

If the property includes a manufactured home, enter information to describe and identify the home.

1 Enter details such as the Make, Year, Manufacturer, and dimensions. This information is typically obtained from the seller of the manufactured home.

2 In the Serial # field, enter the number found on the front steel cross-member of the chassis or on the data plate (a document attached in the interior of the home).

3 In the HUD Label # field, enter the number on the HUD Label, a red metal plate attached to the exterior of the home.

Renewal and Extension

If draw closing docs in Texas, use the Renewal and Extension section to enter notes or comments for the attorney who will be preparing the loan documents.

Aggregate Escrow Account

Use the Aggregate Escrow Account form to review the impounds for the loan. In this scenario, you will clear any existing escrow entries and create your entries as new entries. If you have existing entries in the Aggregate Escrow Account form, you could also use the existing entries or edit them as needed.

To Set Up Impounds:

1 Click the **Forms** tab in the panel on the lower-left of the loan file, and then click **Aggregate Escrow Account**.

2 Click the **Setup** button to open the Initial Escrow Account Setup window.

3 If there are any existing entries, click **Clear All Impound Settings**.

*NOTE: If the loan is a redraw and the borrower has decided against having impounds, use the **Clear All Impounds** button to remove any previously entered impounds. Removing the number of months for the impounds on the 2015 Itemization form does not remove the impounds from the amortization schedule. If impound dates are not removed from the Initial Escrow Account Setup window, the impounds are still included in the amortization schedule.*

4 In the Cushion row, in each of the fee columns, enter the number of months for which a payment is required. This will establish a minimum balance in the escrow account.

NOTE: Your administrator may have created business rules to automatically populate some of the cushions.

5 In each fee column, click the row that matches the month when a payment is due, and then enter the number of months of payment required.

- Scenario: The borrower will pay School Tax twice a year, in March and November. In the Tax column enter **6** on the row for March and then enter **6** on the row for November. This indicates that six months of school tax are due in March and six months of school tax are due in November.

- When you complete an entry, the Due Date rows are populated.

6 To indicate that a payment is prepaid, right click the payment, and then click Prepaid.

03/2016	
04/2016	6
05/2016	Prepaid
06/2016	Remove Prepaid
07/2016	

7 Repeat the procedure for each column that requires impounds.

8 In addition to columns for Tax, Hazard Ins, Mortgage Ins, Flood Ins, City Taxes, the window includes columns for three user-defined fees and an Annual Fee for USDA loans. For the USDA Annual Fee, enter a 12 in the month when the next disbursement occurs.

				Prepaid
City Taxes	User #1	User #2	User #3	Annual Fee
				10/01/2015
				12

9 Select the **Servicer to refund Mtg Ins Cushion upon termination** check box at the bottom of the tool if the servicer will refund the upfront mortgage insurance payments when the mortgage insurance coverage is terminated. Calculations on the Amortization Schedule and other applicable forms will be updated accordingly.

10 When finished, click **OK**.

NOTE: Use the Fee Details window for a fee on the 2015 Itemization to indicate that a fee is Paid at Closing. Click the icon to the left of the fee to open the Fee Details window, and then enter the amount in the PAC column for the entity paying the amount at closing.

Set Up Mortgage Insurance in the Aggregate Setup Tool

Mortgage insurance is set up differently than other impounds in the Aggregate Setup tool. Since Mortgage insurance is due monthly, enter **1** in the payment fields for twelve consecutive due date payment rows.

To Set Up Mortgage Insurance Impounds:

1 In the Mortgage Insurance column, enter **0** in the Cushion row.

2 To enter the monthly payments for one year of mortgage insurance, enter **1** in the first payment date field (located below the Due Date 4 row), and then enter **1** in each of the following 11 payment fields for a total of 12 entries.

First Payment Date: 01/01/2016			
Date	Tax	Haz Ins	Mtg Ins
Cushion	2		0
Due Date 1	04/01/2016		01/01/2016
Due Date 2	10/01/2016		02/01/2016
Due Date 3			03/01/2016
Due Date 4			04/01/2016
01/2016			1
02/2016			1
03/2016			1
04/2016	6		1
05/2016			1
06/2016			1
07/2016			1
08/2016			1
09/2016			1
10/2016	6		1
11/2016			1
12/2016			1
01/2017			

- If you enter 13 payments, a pop-up message informs you that mortgage insurance impounds cannot exceed 12 months.

NOTE: A pop-up message does not display if you enter less than 12 payments, so make sure you verify the total number of monthly payment entries before completing the Aggregate Setup.

3 Can click the **Lock** icon to adjust the amount as needed, for example, to fix rounding issues for annual amounts.

To Complete the Aggregate Escrow Account Form:

1   At the top of the form, the escrow servicer name, address, and phone should already be populated from the File Contacts tool. If not, enter the information.

2   Enter the **1st Payment Date**.

3   On the Tax line, click the **Edit** icon.

4   Enter the county tax payment information and the address and phone number for the country tax collector. When finished, click **Close**.

5   On the Hazard Insurance line, click the **Edit** icon.

6   Enter the hazard insurance policy information and the name/contact information for the hazard insurance company. In particular, be sure to enter the Policy Number and Coverage Amount. When finished, click **Close**.

7   Use the blank fields in the left column (below the City Property Tax line) to enter descriptions of any additional impounds. These rows are used to record the same impounds that you listed in the User #1, User #2, and User #3 columns on the Aggregate Setup tool.

   • Click the **Edit** icon to enter details information about each additional impound.

   • Enter contact information for the service provider or agency associated with the impounds.

   • Select the **Tax Escrow Payment or Insurance Escrow Payment** check box, and then complete the appropriate fields. When finished, click **Close**.

8   Click the **Setup** button to open the Initial Escrow Account Setup window to make revisions to impounds and due dates.

NOTE: *For detailed information about revising impounds, refer to "To Set Up Impounds:" on page 217.*

Closing Disclosure Input Forms
The Closing Disclosure input forms (pages 1-5) enable you to review, edit, or enter information that is populated to the Closing Disclosure output form provided to the borrower at least three business days prior to consummation. Much of the information on these forms is populated from other Encompass forms.

Closing Disclosure Page 1
Review the mortgage insurance information.

Closing Disclosure Page 2
Review the fees. If changes are needed, enter the revisions on the 2015 Itemization input form.

Closing Disclosure Page 3
Review the Calculating Cash to Close table, complete the Summaries of Transactions section, and enter seller-paid credits, if any. Select the Omit from Print button at the top of the Seller's Transaction column in the Summaries of Transactions section to generate a separate seller-only printed copy of the Closing Disclosure that does not include the Seller's Transaction data. An electronic version is also generated if your administrator has configured it.

Closing Disclosure Page 4
Review your disclosure information and impounds for the loan. If the loan has an Adjustable Payment (AP) Table or Adjustable Interest Rate (AIR) Table, review the information in these tables.

Closing Disclosure Page 5
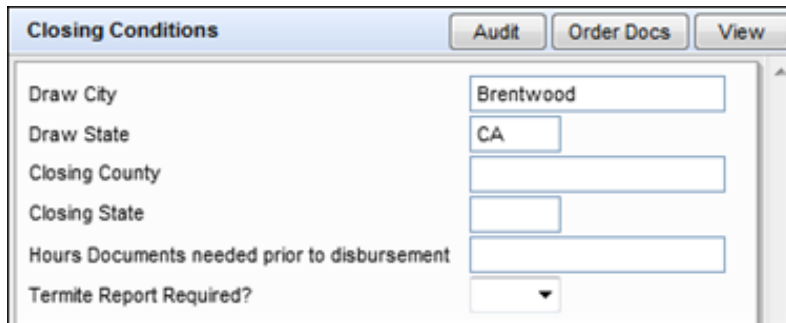Review the Loan Calculations section and complete the Contact Information section.

Closing Conditions
Use the Closing Conditions form to:

• Enter the location where closing documents are drawn.

• Enter the county where the loan will close (optional).

• List closing instructions and conditions, which will pull over to the lender's instructions.

To Work with Closing Conditions:

1   On the **Forms** tab, click **Cosing Conditions**.
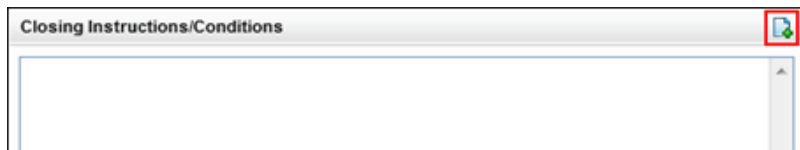
2   If the Draw City and Draw State fields not already completed, enter the city and state where the closing documents will be drawn. Typically, this is the location of the lender. These fields are required before you can run an audit.

3   The information in the Closing County and Closing State fields displays in the notary section of your legal documents. These are not required fields.

•   If you know the county and state in which the loan will close, enter it here. Typically, this is the location of the subject property.

NOTE: Leave these fields blank if you are not certain or intend to have the notary complete the information. Leaving the field blank prevents the need for a redraw if the notary needs to enter a different location.

4   Enter the number of hours that the signed documents are required prior to disbursement of the loan proceeds. This information displays on the escrow instructions.

•   If you leave the field blank, the escrow instructions are populated using the default number selected by your company.

5   Select **Yes** or **No** to indicate whether or not a termite report is required prior to closing the loan.

6   In the Closing Instructions/Conditions area, enter closing instructions, and then manually enter conditions and/or click the **Add** icon to add existing conditions.

•   If you click the **Add** icon, the Add Condition window opens and enables you to add conditions from a Condition Set or an Underwriting Condition, as described below.

NOTE: You can also add a standard set of closing conditions to your loans by including the conditions in a Data Template that can be applied to your loans.

To Add Conditions from a Condition Set:

1   On the Add Condition window, select the **Append to current list** check box to append the new conditions to the current entries in the Closing Instructions/Conditions area. Clear the check box to overwrite any existing conditions.

2   Select **Add conditions from Condition Sets**, and then click **OK**.

3   Use the Cond. Set drop-down list to navigate to the folder containing the appropriate condition set.

4   On the Condition Sets window, select one or more conditions from the left panel, and then click the **Add** button in the center of the window to move the condition to the right panel.

5   When finished, click the **Add** button on the lower-right.

6   Back on the Closing Conditions form, edit the conditions as needed.

To Add Conditions from Underwriter Conditions:

1   On the Add Condition window, select the **Append to current list** check box to append the new conditions to the current entries in the Closing Instructions/Conditions area. Clear the check box to overwrite any existing conditions.

2   Select **Add conditions from Underwriter Conditions**, and then click **OK**.

3   Select one or more conditions, and then click **Add**.

4   Back on the Closing Conditions form, edit the conditions as needed.

To Work with Closing Conditions:

1 On the **Forms** tab, click **Aggregate Escrow**.

2 In the Draw City and Draw State fields, enter the city and state in which the closing documents will be drawn if not already completed. Typically, this is the location of the lender. These fields are required before you can run an audit.

3 The information in the Closing County and Closing State fields displays in the notary section of your legal documents. These are not required fields.

- If you know the county and state in which the loan will close, enter it here. Typically, this is the location of the subject property.

  NOTE: Leave these fields blank if you are not certain or intend to have the notary complete the information. Leaving the field blank prevents the need for a redraw if the notary needs to enter a different location.

4 Enter the number of hours that the signed documents are required prior to disbursement of the loan proceeds. This information displays on the escrow instructions.

- If you leave the field blank, the escrow instructions are populated using the default number selected by your company.

5 Select **Yes** or **No** to indicate whether or not a termite report is required prior to closing the loan.

6 In the Closing Instructions/Conditions area, enter closing instructions, and then manually enter conditions and/or click the **Add** icon to add existing conditions.

- If you click the **Add** icon, the Add Condition window opens and enables you to add conditions from a Condition Set or an Underwriting Condition, as described below.
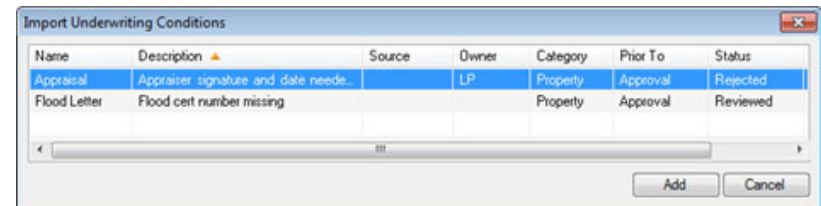
To Add Conditions from a Condition Set:

1 On the Add Condition window, select the **Append to current list** check box to append the new conditions to the current entries in the Closing Instructions/Conditions area. Clear the check box to overwrite any existing conditions.

2 Select **Add conditions from Condition Sets**, and then click **OK**.

3 Use the **Cond. Set** drop-down list to navigate to the folder containing the appropriate condition set.

4 On the Condition Sets window, select one or more conditions from the left panel, and then click the **Add** button in the center of the window to move the condition to the right panel.

5 When finished, click the **Add** button on the lower-right.

6 Back on the Closing Conditions form, edit the conditions as needed.

To Add Conditions from Underwriter Conditions:

1 On the Add Condition window, select the **Append to current list** check box to append the new conditions to the current entries in the Closing Instructions/Conditions area. Clear the check box to overwrite any existing conditions.

2 Select **Add conditions from Underwriter Conditions**, and then click **OK**.

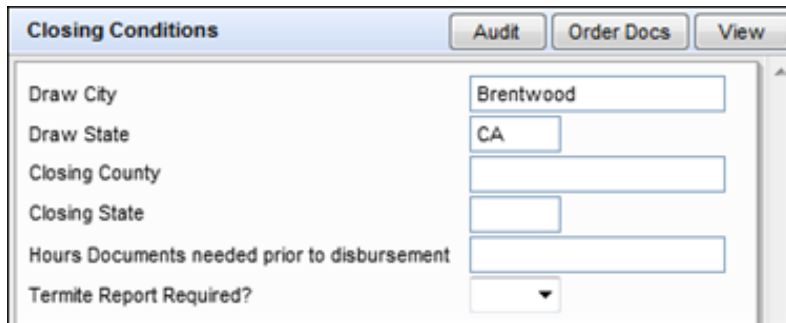**3** Select one or more conditions, and then click **Add**.

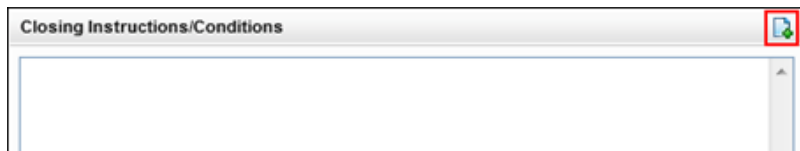**4** Back on the Closing Conditions form, edit the conditions as needed.

Additional Forms

You may be required to review or complete information on additional forms, depending on a number of additional factors.

State-Specific Disclosures

Depending on the state in which the subject property is located, you may be required to complete additional information on the state-specific disclosure form.

Examples:

• **Texas** - Select the **Continuous Purchase Money Loan** check box in the Title Information section if the loan is a refinance loan in the state of Texas; and select the check box in the Veterans Land Board section if the loan is being made subject to the Texas Veterans Land Board.

• **New York** - Complete the CEMA section of the form for a CEMA (consolidation extension modification agreement) loan.

FHA Loans

Review the FHA Management form for an FHA loan. Data on the form drives validation of the section of act.

VA Loans

Review the VA Management form for a VA loan.

Request for Copy of Tax Return and Request for Transcript of Tax

If your company policy requires that closing documents include a signed Request for Copy of Tax Return (4506) or Request for Transcript of Tax (4506-T), use the Request for Copy of Tax Return or Request for Transcript of Tax input forms to request these documents from the borrower if the borrower, attach the signed documents to the eFolder, and include them in the closing documents.

NOTE: *For closing documents, do not use the Classic version of the* Request for Copy of Tax Return *or* Request for Transcript of Tax *when requesting the documents.*

Step 4: Audit the Loan File

Use the **Audit** button on the RegZ-CD to audit the loan data.

To Audit Loan Data:

1 On the RegZ-CD or Closing Conditions input form, click the **Audit** button on the upper-right.

   • During the audit, the loan file is analyzed by the Encompass Docs Solution and the Encompass Compliance Service (powered by Mavent) for any form or closing document issues and any compliance issues based on a Truth in Lending (TIL), Home Ownership and Equity Protection Act (HOEPA), State and Local High Cost, and Federal High Cost (Section 32) industry regulations and mandates.

   NOTE: *If you are an Encompass Compliance Service (ECS) customer, any additional compliance tests that your company has configured using the Compliance Review Setup tool in Encompass Settings will also be performed during this audit.*

2 When prompted, select the **Preview** report option, and then click **OK**.
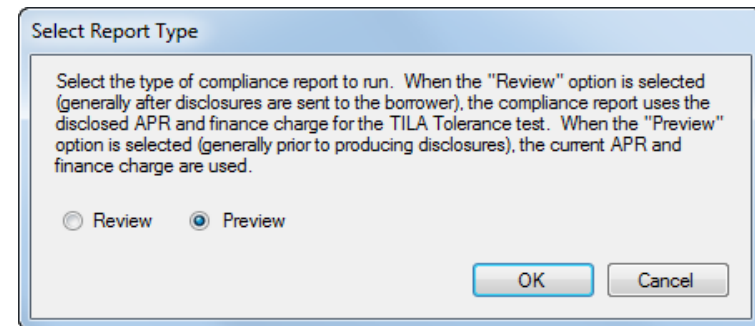
   • When running the Preview report, the Encompass Compliance Service uses the current APR (field ID 799) and current finance charge (field ID 1206) for the TILA tolerance test.

3 On the Closing Docs Audit window, review the list of issues, if any.

   • The Data Audit Results section lists issues that were found during the Encompass Docs Solution review. The Compliance Review Results section lists compliance issues found during the Encompass Compliance Service review or preview.

   • The Compliance Review Results section lists compliance issues found during the Encompass Compliance Service preview. By the time you draw docs for closing, you should not have any compliance issues. If you do, it is recommended that you resolve all compliance issues, but you can order closing documents without resolving these issues if the administrator has given you permission. Click the **PDF** icon in the Compliance review section to view the compliance report.
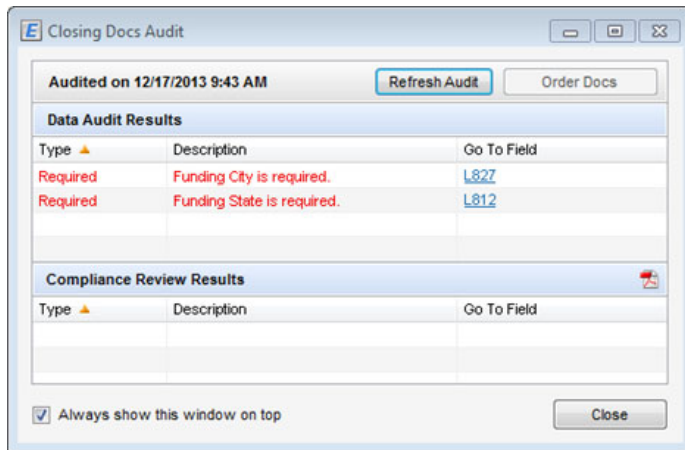
4   To jump to a field in Encompass and update its value, click the field ID hyperlink in the Go To Field column. An Encompass form will open with the selected field highlighted.

*NOTE: Select the **Always show this window on top** check box to display the Closing Docs Audit window on top of all other Encompass windows.*

5   After resolving an issue, the issues that are resolved are highlighted in yellow in the Closing Docs Audit window. Click the **Refresh Audit** button to clear the resolved issues from the list.

• Click the **PDF** icon in the Compliance Review Results section to view the review or preview compliance report. The report contains separate sections for each review/preview that was performed and provides the result of each review/preview. When a compliance issue occurs, the data (or missing data) causing the issue is explained in the report.
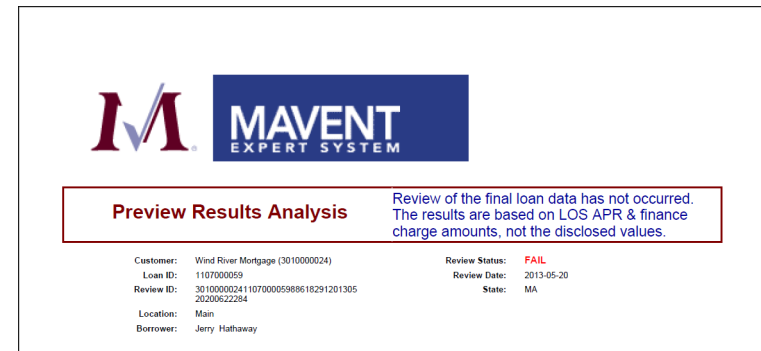
Step 5: Order the Closing Documents

Order closing docs from the RegZ-CD or Closing Conditions input form.

To Order Closing Docs:

1   On RegZ-CD or Closing Conditions input form, click the **Order Docs** button on the top-right of the form/window, select Closing from the Order Type drop-down list, and then click the Order Docs button on the Closing Docs Audit window.

• When the Select Documents window displays, the closing documents are listed in the order configured in the stacking template by your administrator.

• Documents highlighted in yellow are documents that are not included in the stacking template, but are still intended to be sent in the closing document package.

• When a closing document package has been ordered and is then redrawn, the list of returned documents on the Select Documents window displays a **Modified since last draw** icon next to each document that has changed since the initial order. Users can view the list to identify changed documents

to print or send instead of printing or sending the entire package. Additionally, a **Removed since last draw** icon displays next to documents that were included in the initial draw, but are no longer required.
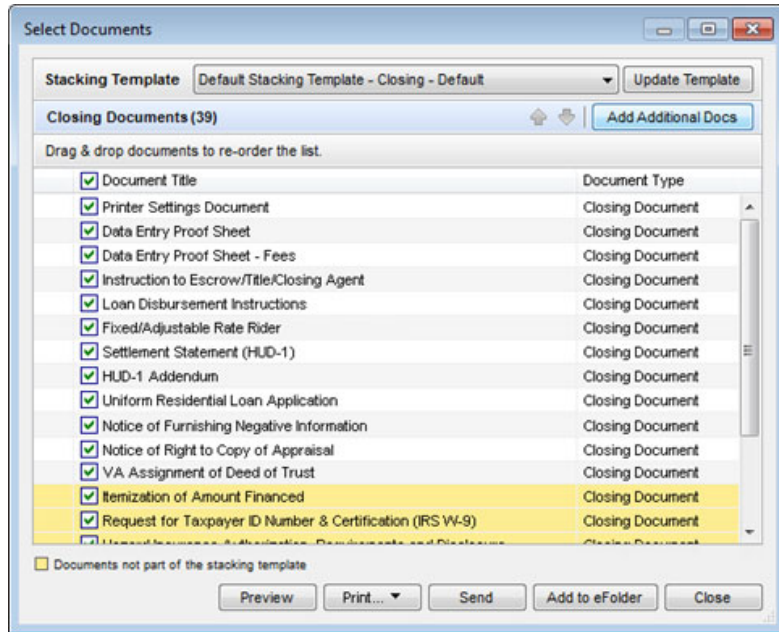
2 To use a different template, select an option from the **Stacking Template** drop-down list.

   NOTE: When the Select Documents window displays, the closing documents are listed in the order configured in the stacking template by your administrator. There are three types of stacking order templates in Encompass. Each is configured in its own setting and is applied from a different area of Encompass. Closing Doc stacking templates are configured by your Encompass administrator in the Doc Setup setting and are applied to the documents in the closing document package.

3 To move a document up or down in the list, click to select the document and then use the **up** or **down** arrows to move the document.

   OR

   Click to select a document, and then drag it to the desired location in the list.

4 To update the selected template for all loans going forward, click the **Update Template** button, and then add, remove, or reorganize the documents as needed.

5 Clear the **Document Title** check box to clear all of the document check boxes, and then select the check box for each document you want to send.

To Add Additional Forms to the Package:

1 Click **Add Additional Docs**.

2 On the Add Additional Docs window, select the **Add Encompass Forms** or **Add eFolder Files** option.

3 Select the borrower from the **For Borrower** drop-down list.

4 Select the document to add, click **Add**, and then click **OK** to close the confirmation message.

   • The document is added to the bottom of the list.

   • Documents highlighted in yellow are documents that are not included in the stacking template, but are still intended to be sent in the closing document package.

Step 6: Preview, Print, and Send Closing Docs

After you select the documents, preview, print, and send the closing docs from the Select Documents window. You can also preview, print, and send the closing documents at a later time by clicking the **View** button on the top-right of the any of the Closing forms (excluding the HUD-1 and Closing Vendor Information forms) to open the Select Documents window.
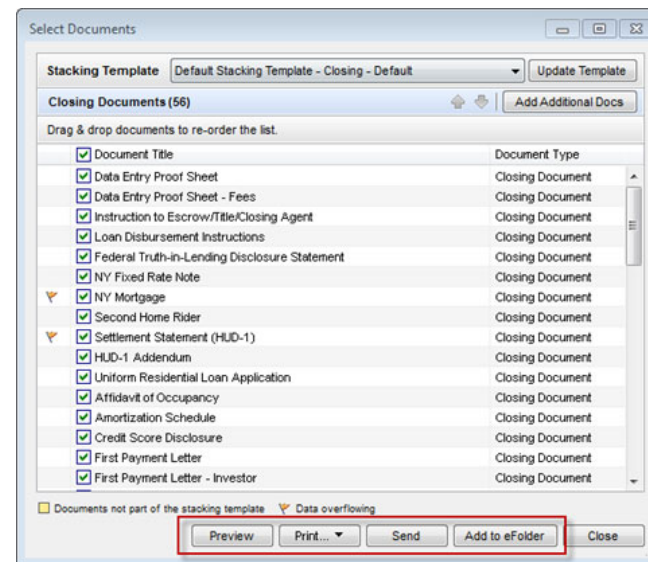
To Preview:

• Click **Preview** to view the selected documents. You can also print the documents from the Preview window by clicking the **Print** icon.

To Print:

• Click **Print**, and then click **Print Selected Documents** to print the selected documents.

• Click **Print**, and then click **Print Checklist** to print a Closing Documents Checklist that lists each document in the package for your reference.
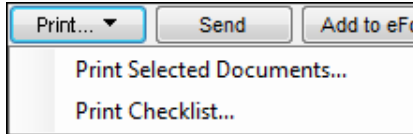
To Add Closing Docs to the eFolder:

• Click **Add to eFolder** to add electronic copies of the closing docs to the loan file eFolder.

To Send:

1 Click **Send** to send selected documents using the Secure Form Transfer tool.

2 On the Send window, enter the email address for one or more recipients in the To field.

    • Or click the **Find** icon to select recipients form the Files Contact tool.

3 Select the **Notify me when the recipient has received the message** check box on the lower-left to receive a notification when the recipient opens the email.
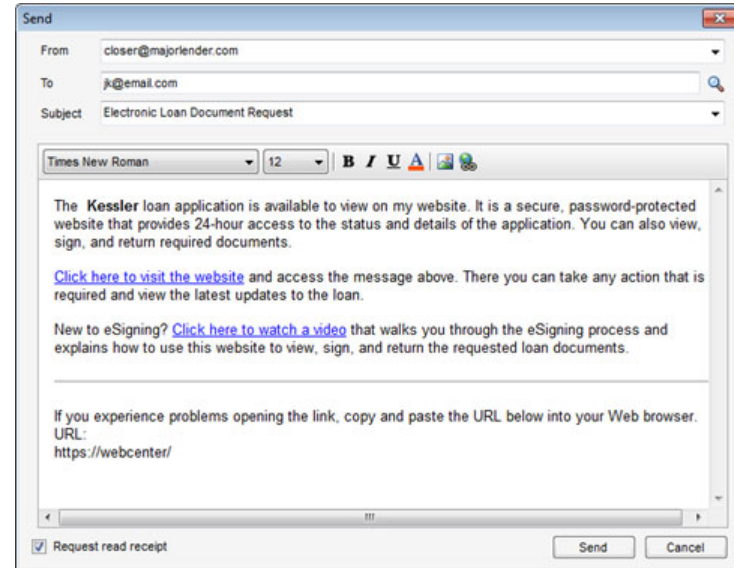
4 Edit the email message as needed.

    • Manually edit the message.

    • If your administrator has created templates with email messages for different scenarios, select a template from the **Subject** drop-down list.

5 When finished, click **Send**.

Automatic Updates

When the closing documents are printed or sent to the recipient via the Order Docs button, the following fields are automatically updated with the values that were disclosed to the borrower on the final Truth In Lending disclosure:

• **Disclosed APR** (field ID 3121) - Updated with the Current APR (field ID 799)

• **Disclosed Finance Charge** (field ID 3246) - Updated with the Current Finance Charge (field ID 1206)

• **Last CD Sent Date** (field ID CD1.X47) - Updated to the current date (today's date)

• **Last CD Received Date** (field ID CD1.X51) - Updated to the current date (today's date)

View Loan Log Entry

An entry is added to the Loan Log each time you order closing documents. Click a **Closing Documents Ordered** entry to view a list of the documents included in the closing document package.

To View Loan Log Entry:

1 On the **Loan** tab, click the **Log** tab on the Loan Log.

2 Click the **Closing Documents Ordered** entry.

• Each document included in the closing document package is listed. The results of the data audit and the compliance audit are also displayed for your review.

3 Click the **View** button to open the Select Documents window, where you can preview, print and manage the documents in the package.

4 Select **Data Audit Results** to view the data audit results. The issues listed here are the issues that were not addressed or resolved before the closing documents package was sent.

5 Select **Compliance Review Results** to view the compliance audit results. The issues listed here are the compliance issues that were not addressed or resolved before the closing documents package was sent.

Chapter 7

Ordering Services

What is the Ellie Mae Network?

The Ellie Mae Network connects Encompass to online service lenders and service providers.

Using the Ellie Mae Network, you can:

- Define a network of preferred providers
- Connect to providers and order services from within Encompass
- Deliver loan file data
- Receive AU decisions

To learn more about the features and benefits of the Ellie Mae Network, go to Chapter 17, "Setting Up the Ellie Mae Network".

Ordering Services

After you establish accounts with your service providers, you can begin to order products and services from them. When you place orders through the Ellie Mae Network, a record of the transaction is created in the Log.

You can order services from the **Services** tab and certain loan forms.

To Order from the Services Tab or From a Form:

1 Open a loan, click the **Services** tab, and then click the button associated with a category of service providers.

For example: click the **Order Credit Report** button.

- Or, click an **Order [service]** button on an input form. For example: click **Order Credit** on the Borrower Summary form.

2 On the **My Providers** tab, click a service provider, and then click **Submit**.

• Or, you can select a provider from the **All Providers** tab. The selected provider is added to the My Providers list.

3 Complete the required information on the provider's request form and submit the request.

To View Order Results:

You can view order results from three places:

• The Loan Log - Click the log entry for the order, and then click **Attachments** on the worksheet.

• The Services tab - Click the document icon to the right of the service you ordered.

• The Documents tab on the eFolder - Select the service that was ordered, and then click **Retrieve**.

The following group of instructions detail how to order the following services:

• Appraisal

• Electronic Verifications

• Fannie Mae's Desktop Originator

• Lender Submission

Ordering an Appraisal

Use the appraisal services to send appraisal orders directly to your appraiser from Encompass.

• Your appraiser is notified via email that you have sent them an order.

• Your appraiser logs in to the Ellie Mae Appraisal Center to view their orders and upload completed reports.

• Uploaded reports are automatically imported into the Encompass loan file.
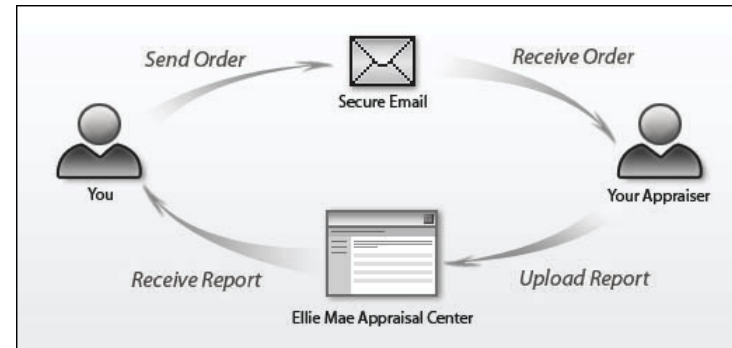
To Access the Appraisal Services:

1 Open a loan in Encompass.

2 On the **Services** tab, click **Order Appraisal**.
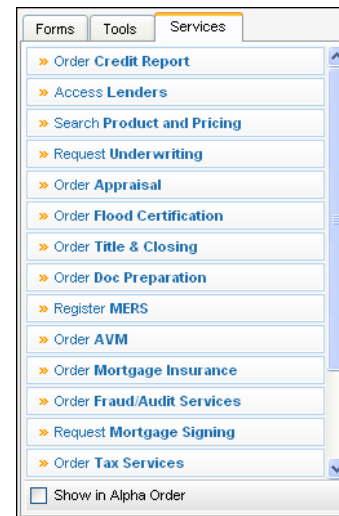
• Or, open the Borrower Summary form and click the **Order Appraisal** button.

Identifying Your Appraisal Ordering Configuration

When you order an appraisal, the available ordering options will depend on how your administrator has configured the ordering process. Typically, administrators configure the process to conform to your company policy. Your administrator can configure Encompass so that you will have different appraisal ordering processes for different types of loans. For example, you may be able to select your own appraiser for a conventional loan, but a request for an appraisal for an FHA loan might be sent to an internal order desk, which selects the appraiser and submits the loan.

Review the descriptions below to identify the ordering process that applies to you. Detailed ordering instructions for each configuration are provided in the *Placing an Appraisal Order* section on page 229.

- **Not Authorized** - If you are not authorized to order appraisals, a "not authorized" message displays when you try to access the appraisal service.

- **Select Your Own Appraisers** - You can select a provider from a list of appraisers and AMCs that have been set up by your administrator. Or you can add your own providers to the My Appraisers tab. When you access the Appraisal services with this configuration, the Order Appraisal window displays. The Add Appraiser and Add From Business Contacts icons are visible on the upper-right of the My Appraisers tab, and you will be able to select providers from the My Appraisers tab and the All Appraisers tab.

- **Select Approved Appraisers Only** - You can select a provider from a list of approved appraisers and AMCs set up by the administrator, but you cannot add your own providers to the list. When you access the Appraisal services with this configuration, the Order Appraisal window displays. The Add Appraiser and Add From Business Contacts icons are not visible. You can select providers from the My Appraisers tab, but the All Appraisers tab is not visible.

  *NOTE: If you are authorized to edit the list of approved appraisers, a **Manage Appraisers** link displays on the upper-right. Click the link to access the approved appraisers list.*

- **Automated Ordering -** You do not see a list of providers and have no input into the appraiser selection. The order is sent to an appraiser who is selected randomly or in a rotating order from a list created by your administrator. When you access the Appraisal services with this configuration, the Appraiser Order Details window displays with a message on the Appraiser Information section explaining that the order will go to an appraiser who has been set up by your system administrator.

- **Internal Order Desk** - You do not see a list of providers and have no input into the appraiser selection. When you submit the order, Encompass sends an email notification to another user who has been authorized as an internal order desk user. They are responsible for submitting the order to an approved appraiser or AMC.

Placing an Appraisal Order

Depending on the configuration selected by your administrator, use one of the following procedures to submit an appraisal.

Select Your Own Appraisers:

1. On the Order Appraisal window, select an appraiser from the **My Appraisers** tab, and then click **Next**.

   - Or, first click the **Add Appraiser** icon to add the Name, Email Address, and Phone Number of a new appraiser.

   - Or, first click the **Address Book** icon to open the Business Contacts window and select appraisers to add to your My Appraisers list.

   - Or, first click the **All Appraisers** tab, enter or select search criteria by ZIP Code, location or lender and select an appraiser or AMC from the list to add to your My Appraisers list.

2 On the Order Appraisal window, complete the order details.

3 Enter information for the Contact for Entry who will provide the appraiser with access to the property

- Click the **Address Book** icon to open the Business Contacts window and select a real estate agent.
- Use the **Special Instructions** text box to enter any details about the order, special requirements, or expectations regarding the order. The appraiser can view this information before accepting or rejecting the order.

4 In the Order Information section, enter the date when the appraisal is due, and then select the Appraisal Type.

5 Use the Paid By drop-down list to select who will pay for the appraisal order:

- **Borrower** - When you select **Borrower**, the **Make Payment** button is enabled. Click the **Make Payment** button, and then enter the borrower's credit card and payment information. Click **Charge** to charge the appraisal order fee to the borrower.

  NOTE: The Borrower option is available only to users who have been authorized by their system administrators to select it. Authorization is provided using the Appraisal Service setting in Encompass Settings.

- **COD** - Payment for the order will be provided once the order is delivered.
- **Invoice** - Payment for the order will be provided according to the invoice delivered from the appraiser.

6 Enter a Message to include in the order email that is sent to the appraiser.

7 Click the **Attach** icon to attach up to two documents from your computer or the Encompass eFolder.

8 Click **Submit Order**.

- The appraiser is notified via email that an order has been sent.

Select Approved Appraisers Only:

1 When the Order Appraisal window opens, select an appraiser from the **My Appraisers** tab, and then click **Next**.

2 On the Order Appraisal window, complete the order details.

3 Enter information for the Contact for Entry who will provide the appraiser with access to the property.

- Click the **Address Book** icon to open the Business Contacts window and select a real estate agent.

4 Use the **Special Instructions** text box to enter any details about the order, special requirements, or expectations regarding the order. The appraiser can view this information before accepting or rejecting the order.

5 In the Order Information section, enter the date when the appraisal is due, and then select the Appraisal Type.

6 Use the Paid By drop-down list to select who will pay for the appraisal order:

- **Borrower** - When you select **Borrower**, the **Make Payment** button is enabled. Click the **Make Payment** button, and then enter the borrower's credit card and payment information. Click **Charge** to charge the appraisal order fee to the borrower.

  NOTE: The Borrower option is available only to users who have been authorized by their system administrators to select it. Authorization is provided using the Appraisal Service setting in Encompass Settings.

- **COD** - Payment for the order will be provided once the order is delivered.
- **Invoice** - Payment for the order will be provided according to the invoice delivered from the appraiser.

7 Enter a Message to include in the order email that is sent to the appraiser.

8 Click the **Attach** icon to attach up to two documents from your computer or the Encompass eFolder.

9 Click **Submit Order**.

- The appraiser is notified via email that an order has been sent.

Automated Ordering

1   When the Order Appraisal window opens, complete the order details.

2   Enter information for the Contact for Entry who will provide the appraiser with access to the property.

- Click the **Address Book** icon to open the Business Contacts window and select a real estate agent.

3   In the Order Information section, enter the date when the appraisal is due, and then select the Appraisal Type.

4   Use the Paid By drop-down list to select who will pay for the appraisal order:

- **Borrower** - When you select **Borrower**, the **Make Payment** button is enabled. Click the **Make Payment** button, and then enter the borrower's credit card and payment information. Click **Charge** to charge the appraisal order fee to the borrower.

    *NOTE: The **Borrower** option is available only to users who have been authorized by their system administrators to select it. Authorization is provided using the Appraisal Service setting in Encompass Settings.*

- **COD** - Payment for the order will be provided once the order is delivered.

- **Invoice** - Payment for the order will be provided according to the invoice delivered from the appraiser.

5   Enter a Message to include in the order email that is sent to the appraiser.

6   Click the **Attach** icon to attach up to two documents from your computer or the Encompass eFolder.
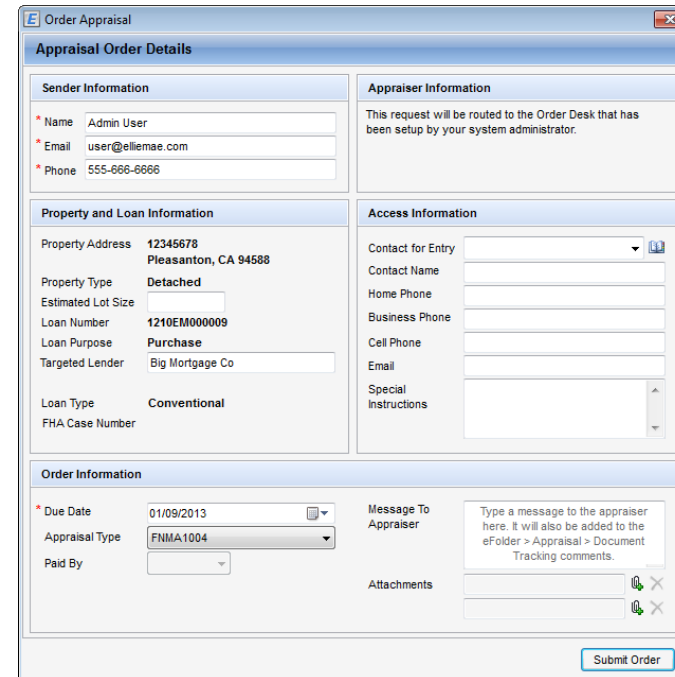
7   Click **Submit Order**.

- The appraiser is notified via email. A message confirms that the order was submitted.

NOTE: If your administrator has authorized you to submit orders received through the internal order desk, you will always use the automated ordering process.

Internal Order Desk

1   When the Appraisal Order Details window opens, enter information for the Contact for Entry, who will provide the appraiser with access to the property.

2   In the Order Information section, enter the date when the appraisal is due, followed by the appraisal type, and method of payment for the appraisal order.

NOTE: Your administrator controls your access to the Appraisal Type and Paid By fields.

- Click the **Address Book** icon to open the Business Contacts window and select a real estate agent.

3   Click **Submit Order**.

- The order desk is notified via email that an order has been sent.

Internal Order Desk User - Ordering an Appraisal for Another User

1 When a user submits an appraisal order, you (the internal order desk user) are notified via email to order an appraisal for the loan file. Open the email to view the basic loan information so you can locate the loan in your Pipeline.

2 Open the loan in your Pipeline.

3 Click the **Services** tab, and then click **Order Appraisal**.

• The Order Appraisal window displays.

4 Select an appraiser from the My Appraisers tab, and then click **Next**.

• Or, first click the **Add Appraiser** icon to add the Name, Email Address, and Phone Number of a new appraiser.

• Or, first click the **Add From Business Contacts** icon to open the Business Contacts window and select appraisers to add to your My Appraisers list.

• Or, first click the **All Appraisers** tab, enter or select search criteria by ZIP Code, location or lender and select an appraiser or AMC from the list to add to your My Appraisers list.

NOTE: If no appraisers or AMCs are available to select, contact the administrator who can then add an appraiser or AMC. If you are authorized to edit the list of approved appraisers, a Manage Appraisers link displays on the upper-right.Click the link to access the approved appraisers list and add an appraiser or AMC yourself.

5 The Order Appraisal window is populated with all of the information the user provided when they requested the appraisal and the order notification was sent to the internal order desk user. If necessary, enter additional information as follows:

• Enter information for the Contact for Entry who will provide the appraiser with access to the property.

• Click the **Address Book** icon to open the Business Contacts window and select a real estate agent.

• Use the **Special Instructions** text box to enter any details about the order, special requirements, or expectations regarding the order. The appraiser can view this information before accepting or rejecting the order.

• In the Order Information section, enter the date when the appraisal is due, and then select the Appraisal Type.

• Use the Paid By drop-down list to select who will pay the appraiser for the appraisal order:

• Borrower - When you select Borrower, the Make Payment button is enabled. Click the Make Payment button, and then enter the borrower's credit card and payment information. Click Charge to charge the appraisal order fee to the borrower.

NOTE:The Borrower option is available only to users who have been authorized by their system administrators to select it. Authorization is provided using the Appraisal Service setting in Encompass Settings.

• COD - Payment for the order will be provided once the order is delivered.

• Invoice - Payment for the order will be provided according to the invoice delivered from the appraiser.

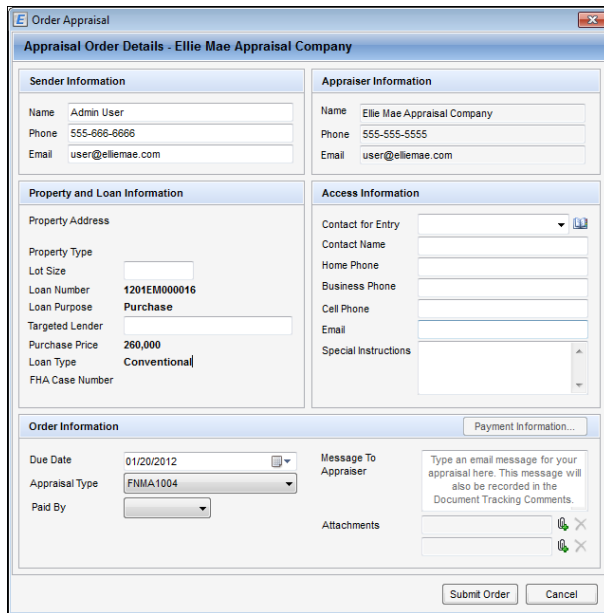• Enter a Message to include in the order email that is sent to the appraiser.

• Click the **Attach** icon to attach up to two documents from your computer or the Encompass eFolder.

6 Click **Submit Order**.

• The appraiser is notified via email. A message confirms that the order was submitted.

• The internal order desk user receives an email when the completed appraisal is available to import into the loan file in Encompass. The internal order desk user is responsible for notifying the user who requested the appraisal that it is available to import into their loan file.

Appraiser Actions

After receiving the notification email, the appraiser will:

1 Click the link in the email.

2 Create a login account if necessary, and then log in to the Appraisal Center.

3 Follow the **Help** instructions to view, and then accept or reject the order.

• You will receive an email notifying you that the order has been accepted or rejected.

4 Upload and deliver the completed report back to your loan file.

To View the Report:

When the completed report is uploaded, you will be notified via email that the appraisal is ready.

1 Open the related loan file.

2 On the **Services** tab, click the document icon to the right of the **Order Appraisal** service to open the Appraisal Order Status window, which has three sections:

• **Orders** – View a list of appraisal orders for the loan.

- **Order History** – When you select an order in the Orders section, the Order History section displays a list of activities related to the order, including the date and time when the activity occurred, the persons who initiated and received the action, the type of activity, comments related activity, and attachments associated with the activity.

- **Send Comments to Appraiser** – If your administrator has given you permission, use this section to send comments and file attachments to the appraiser.

3 To view the details of an order, select an order from the Orders section, and then click the **Order Details** link in the Attachments column in the Order History Section.

4 When an appraiser sends a file to you, click the **Import** link in the Orders section to open the Order Update window to view the appraisal data and documents that are available to import.

5 Select the check boxes for data and documents, and then click the **Import** button to retrieve and import the data and documents.

NOTE: Imported documents are accessible in the eFolder in the Unassigned Files section of the File Manager, where you can assign them to eFolder documents.

6 If a PDF document has been retrieved, click the document link in the Attachments column in the Order History section to open the file in the Document Viewer window.

7 If a MISMO UAD document (XML file) has been imported, click the **Appraisal Quick Check - Submit** icon (in the Attachments column, to the right of the MISMO link) to run the appraisal report through a "Quick Check" powered by Veros Pathway Service that searches for UCDP (Uniform Collateral Data Portal) Hard Stops and UAD compliance issues. You can run the appraisal report through a "quick check" up to three times.

- In the Appraisal Quick Check window, select the **Form Type**.

- Select **UAD** from the Version drop-down list.

- Select the **Investors** (Fannie Mae and/or Freddie Mac) to which the appraisal will be submitted.

- Click **Validate Report**.

  - The Quick Check takes a few moments to complete.

  - The results display in the Appraisal Quick Check window.

    - If the Quick Check did not find any hard stops or compliance errors in your appraisal report, a message confirming that no errors were found displays. Click **Close** to close the message and be returned to the Appraisal Order Status window.

- If the Quick Check did find hard stops or compliance errors in your appraisal report, a table listing each hard stop and error is displayed. Here you can identify any potential issues in the appraisal that would prevent you from successfully submitting the appraisal to Fannie Mae or Freddie Mac (through the UCDP portal). Click **Close** to close the table and be returned to the Appraisal Order Status window

- You can return to the Appraisal Order Status window at any time and click the **Appraisal Quick Check - View** icon to view the Quick Check results again.

- You can run up to three Quick Checks for one property, free of charge.

8 If your administrator has given you permission, you can send a comment or file attachment to the appraiser. Enter a comment in the **Comments** field, follow one of the procedures below to attach a file, and then click **Send Comments**.

To Attach a File from Your Computer:

1 Click the **Attach** icon.

2 Select the option to browse your computer.

3 Click **Continue**.

4 Browse to select the file, and then click **Open**.

To Attach a File from Your Encompass eFolder:

1 Click the **Attach** icon.

2 Select the option to browse from the Encompass eFolder.

3 Click **Continue**.

4 Select a document from the list (only documents with file attachments will display), and then click **Continue**.

- The file or files attached to the document will be sent to the appraiser. When you select a document with multiple file attachment, all the attached files will be combined into a single PDF file and sent to the appraiser.

About the Appraiser Directory

When you order an appraisal, you can click the **All Appraisers** tab to view the appraiser directory. By default, the directory includes appraisers who do business in the area where the subject property is located. You can also search for appraisers by ZIP Code, appraisal type, and approved lenders. The More Info link opens a detailed profile of the appraiser's services and pricing.

Ordering Title and Closing Services

Use the Title and Closing service to submit orders to participating providers, as well as your own preferred providers. Each provider option has different setup requirements and different steps to follow when placing an order.

- Participating providers are included in the default directory of title and closing companies.

- Preferred providers are those that you add to the directory because they are not included in the default list.

Participating Providers

There are two ways to submit an order to a participating provider.

- Company-specific: Orders are submitted to a selected company

- Agent/Branch-specific (Orders are submitted to a specific agent within the company. This method is used when submitting orders to the following providers: *Alamo Title, Chicago Title, Fidelity National Title Insurance Company, Security Union Title Insurance Company, Ticor Title.*

Company-Specific Providers

Company-specific orders are submitted to a selected company.
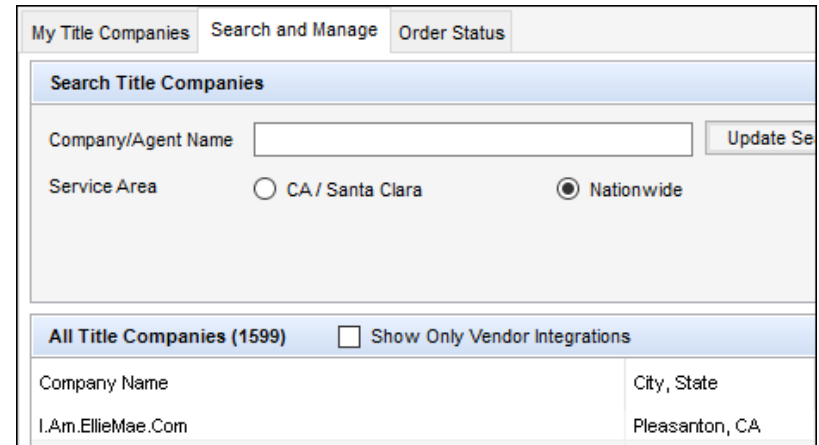
To Create an Account:

NOTE: Not all company-specific providers require an account prior to placing an order.

1 Open a loan.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the Title & Closing window, click the **Search / Search and Manage** tab. Search the list of providers by area or nationwide.

*NOTE: Access to the **Search and Manage** tab is controlled by your administrator. Contact your administrator to request access rights. If the tab is not available, the **Search** tab appears in its place. The **Search and Manage** tab has the following features that the **Search** tab does not: ability to blacklist a company, ability to move a company to the **My Title Companies** tab.*

4 Click the **More info** link for one of the participating service providers.

5 On the right side of the service provider's web page, click the **Establish an online ordering account** link.

6 On the New User Sign Up window, follow the instructions to enter your company and contact information, and then click **Finish**.

- The last screen summarizes your registration information and assigns an account ID.

7 Click **Print** to print the Registration Confirmation page, and then click **Close**.

- Your account is activated and ready to use.

To Submit an Order:

1 Open a loan.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the **My Title Companies** or the **Search / Search and Manage** tab, select a provider.

*NOTE: Access to the **Search and Manage** tab is controlled by your administrator. Contact your administrator to request access rights. If the tab is not available, the **Search** tab appears in its place.*

- To request a fee quote, click the link in the **Fee Quote** column. (For providers with an account on the Ellie Mae Portal only.)

- To blacklist, or unblacklist, a company, click the **Blacklist** or **Unblacklist** button. (Only available on the Search and Manage tab.)
  A red check mark appears in the Blacklist column indicating the company is blacklisted. Orders cannot be placed with blacklisted companies until their blacklist designation is removed.

4 To order from the selected provider, click **Order**.

5 Complete the required information on the provider's request form and submit the order.

   NOTE: Depending on the provider you select, you can order a variety of services including a Fee Quote, Title, Escrow/Closing, and Payoff. The available products within a particular service are based on the selected provider and the geographic area in which the subject property is located.

   When an order has been submitted, the Check Status icon displays on the **Order Title & Closing** button.

To View Order Status:

1 On the **Services** tab, select **Order Title & Closing**.

2 Or, in the eFolder, select the order, and then click **Retrieve**.

   - The status of each order is listed in the Status column in the Order section of the Title Order Status window.

   - A separate order is created for each product requested.

3 Click **Close** to close the window.

To View Returned Documents:

When the completed report is uploaded, you will be notified via email that the title order is ready.

1 Open the related loan file.

2 On the **Services** tab, select **Order Title & Closing** to open the Title Order Status window, which has three sections:

   - **Orders** – View a list of title orders for the loan.

   - **Order History** – When you select an order in the Orders section, the Order History section displays a list of activities related to the order, including the date and time when the activity occurred, the persons who initiated and received the action, the type of activity, comments related to the activity, and attachments associated with the activity.

   - **Send Message to Title Agent** – If your administrator has given you permission, use this section to send a message type with any additional comments and file attachments to the title agent.

3 To view the details of an order, select an order from the Orders section, and then click the **Order Details** link in the Attachments column in the Order History Section.

4 When a title agent sends a file to you, click the **Import** link in the Orders section to open the Order Update window to view the report data and documents that are available to import.

5 Select the check boxes for data and documents, and then click the **Import** button to retrieve and import the data and documents.

   NOTE: Imported documents are accessible in the eFolder in the Unassigned Files section of the File Manager, where you can assign them to eFolder documents.

6 If a PDF document has been retrieved, click the document link in the Attachments column in the Order History section to open the file in the Document Viewer window.

7 If your administrator has given you permission, you can send a message type with an optional comment or file attachment to the title agent. Select a message type from the **Choose a Message Type** dropdown, type a comment in the Comments field, follow one of the procedures below to attach a file, and then click **Send Message**.

To Attach a File from Your Computer:

1 Click the **Attach** icon.

2 Select the option to browse your computer.

3 Click **Continue**.

4 Browse to select the file, and then click **Open**.

To Attach a File from your Encompass eFolder:

1 Click the **Attach** icon.

2 Select the option to browse from the Encompass eFolder.

3 Click **Continue**.

4 Select a document from the list (only documents with file attachments will display), and then click **Continue**.
  The file or files attached to the document will be sent to the title agent.

Agent/Branch-Specific Providers

Agent/Branch-specific orders are submitted to a specific agent within the company. This method is used when submitting orders to the following providers: Alamo Title, Chicago Title, Fidelity National Title Insurance Company, Security Union Title Insurance Company, Ticor Title.
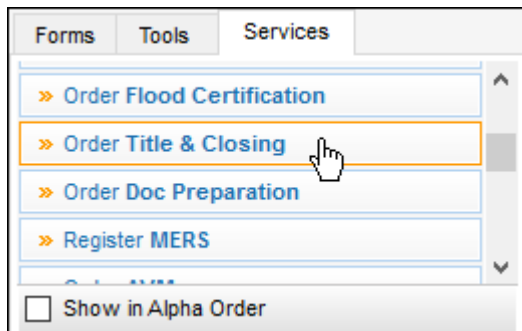
To Create an Account:

1 Open a loan in Encompass.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the Order Title & Closing window, click the **Search/Search and Manage** tab. Search the list of providers by area or nationwide.

   *NOTE: Access to the **Search and Manage** tab is controlled by your administrator. Contact your administrator to request access rights. If the tab is not available, the **Search** tab appears in its place.*

4 Click the **More info** link associated with an Agent/Branch service provider

5 On the right side of the service provider's web page, click the **Get Set Up with...** link.

6 On the Customer Registration window, click **Next** and follow the instructions to enter your company and contact information.

   • The last screen summarizes your registration information and assigns an account ID.

7 Click **Print** to print the Registration Confirmation page, and then click **Close**.

   • Your account is activated and ready to use.

To Add an Agent:

1 Open a loan.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the Title & Closing window, click the **Search/Search and Manage** tab. Search the list of providers by area or nationwide.

   *NOTE: Access to the **Search and Manage** tab is controlled by your administrator. Contact your administrator to request access rights. If the tab is not available, the **Search** tab appears in its place.*

4 Select the service provider with whom you created an account and click **Order**.

5 On the Title and Closing Agent window, click the **Find Agents** tab.

6 Select the State and County in which the agent's branch does business or has a location, and then click **Search**.

7 Select the Branch (Provider Name) where the agent works, and click **Add to My List**.

8 Enter the agent's Name, Email, and Phone.

9 Click **Save**.

10 Click **OK** in response to the confirmation message.

11 If you clicked **Save**, you can continue adding agents from the Order Title & Closing Agent window. When finished, click **Close**.

• The agent is added to your My Agents list. Agents are grouped according to the service they provide, title and/or closing.

To Submit an Order:

The available products within a particular service are based on the selected provider and the geographic area in which the subject property is located.

1 Open a loan.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the Title & Closing window, click the **Search/Search and Manage** tab. Search the list of providers by area or nationwide.

   *NOTE: Access to the **Search and Manage** tab is controlled by your administrator. Contact your administrator to request access rights. If the tab is not available, the **Search** tab appears in its place.*

4 Select one of the participating title providers:

   • To request a fee quote, click the link in the **Fee Quote** column. (For providers with an account on the Ellie Mae Portal only.)

   • To blacklist, or unblacklist, a company, click the **Blacklist** or **Unblacklist** button. (Only available on the Search and Manage tab.)
     A red checkmark appears in the Blacklist column indicating the company is blacklisted. Orders cannot be placed with blacklisted companies until their blacklist designation is removed.

5 To order from the selected provider, click **Order**.

6 On the Title & Closing Agent window, select an agent for the service or services you're ordering, and then click **Order**.

7 On the Order Title & Closing window, enter the Account ID you created during the account setup process.

8 Click **Log In** to populate the Product list.

9 Click the appropriate tab to order the desired service:

   Order Title & Closing

   Specify the following:

   • **Title/Closing Agent** - If title/closing agents are listed, select the agent who will receive the request. Otherwise, leave this field blank.

   • **Need by Date** - The date the title is needed by.

   • **Estimated Closing Date** - The estimated date the loan will close.

   • **Comments** - Special instructions or notes for the title/closing agent. This is optional.

- **Attachments** - Up to two documents. Click the **Attach** icon to attach a PDF or DOC document. You can browse to the location on your hard drive or eFolder.
- **Products** - The products you want to send to the title/closing agent. If the agent you selected does not service the area in which the subject property is located, no products will be listed.
- **Include Fee Quote Request?** - Include a request for a fee quote with the title & closing order:
  - **Quote Needed By** - The date the fee quote is needed by .
  - **Comments** - Special instructions or notes to include with the fee quote request. This is optional.

Request a Fee Quote

Specify the following:

- Whether to send a title request to a title agent by selecting the **Request Fee Quote** check box.
- **Title/Closing Agent** - If title/closing agents are listed, select the agent who will receive the request. Otherwise, leave this field blank.
- **Need by Date** - The date the fee quote is needed by.
- **Comments** - Special instructions or notes for the title agent. This is optional.

Payoff

Specify the following:

- Whether to order payoff documents from the title agent by selecting the **Order Payoff** check box.
- **Payoff Number -** Select the payoff number, 1-5.
- **Lender Name/Phone Number -** Enter the name and phone number of the lender associated with the loan.
- **Lien Priority -** If there are multiple leans on the property, select the lien priority of the payoff, 1 or 2.
- **Liability Type -** Whether the payoff amount you are requesting is for a mortgage or a home equity line of credit.
- **Loan Number -** The 10-digit number assigned to the loan.
- **Loan Amount -** Amount of the loan.
- **Secured by Property -** Whether the property is the collateral on the loan.
- **Payment Method -** Whether the payoff amount is to payoff or pay down the mortgage or HELOC.

Send File Contacts

Select any of the following File Contacts or Closing Conditions to send to the title agent:

NOTE: The information must already exist in the File Contacts tool under the appropriate role (e.g., Buyer's Agent, Seller's Agent, etc.) or in the Closing Conditions form. If the File Contacts tool or Closing Conditions form does not contain any information, its corresponding check box will be disabled from selection.

- **Buyer's Agent** - The buyer's agent in the File Contacts tool.
- **Seller's Agent** - The seller's agent in the File Contacts tool.
- **Escrow Company** - The escrow company in the File Contacts tool.
- **Closing Instructions/Conditions** - The closing instructions/conditions in the Closing Conditions form.
- **Title Insurance Company** - The title insurance company in the File Contacts tool.
- **Settlement Agent** - The settlement agent in the File Contacts tool.

10 Click **Send Order**.

11 Click **OK** in response to the confirmation message.

To View Order Status:

1 On the **Services** tab, click **Order Title & Closing** to open the Order Status tab.
- The Order Status tab displays the status and history of each order.
- The Status column shows the status of each order: Delivered or Requested.
- A separate order is created for each product requested.

2 Click the **Refresh** icon to update status information.

OR

1 In the eFolder, select the order, and then click **Retrieve**.

The status of each order is listed in the Status column in the Order section of the Title Order Status window.

A separate order is created for each product requested.

2 Click **OK** and then **Cancel** to close the window.

To View Returned Documents:

When the completed report is uploaded, you will be notified via email that the title order is ready.

1 Open the related loan file.

2 On the **Services** tab, click the **Order Title & Closing** button to open the Title Order Status window, which has three sections:

- **Orders** – View a list of title orders for the loan.

- **Order History** – When you select an order in the Orders section, the Order History section displays a list of activities related to the order, including the date and time when the activity occurred, the persons who initiated and received the action, the type of activity, comments related to the activity, and attachments associated with the activity.

- **Send Message to Title Agent** – If your administrator has given you permission, use this section to send a message type with any additional comments and file attachments to the title agent.

3 To view the details of an order, select an order from the Orders section, and then click the **Order Details** link in the Attachments column in the Order History Section.

4 When a title agent sends a file to you, click the **Import** link in the Orders section to open the Order Update window to view the report data and documents that are available to import.

5 Select the check boxes for data and documents, and then click the **Import** button to retrieve and import the data and documents.

NOTE: Imported documents are accessible in the eFolder in the Unassigned Files section of the File Manager, where you can assign them to eFolder documents.

6 If a PDF document has been retrieved, click the document link in the Attachments column in the Order History section to open the file in the Document Viewer window.

7 If your administrator has given you permission, you can send a message type with an optional comment or file attachment to the title agent. Select a message type from the **Choose a Message Type** dropdown, type a comment in the **Comments** field, follow one of the procedures below to attach a file, and then click **Send Message**.

To Attach a File from Your Computer:

1 Click the **Attach** icon.

2 Select the option to browse your computer.

3 Click **Continue**.

4 Browse to select the file, and then click **Open**.

To Attach a File from your Encompass eFolder:

1 Click the **Attach** icon.

2 Select the option to browse from the Encompass eFolder.

3 Click **Continue**.

4 Select a document from the list (only documents with file attachments will display), and then click **Continue**.
The file or files attached to the document will be sent to the title agent.

Preferred Providers

By default, the Title and Closing interface is used to place orders with participating providers. However, if there is an agent or branch that you prefer to do business with who is not included in this list, you can add them to the interface and send title orders directly to them from Encompass.

- An order is sent via a secure email.
- Your agent logs into the Ellie Mae Title Center to view the order and upload the completed report.
- Uploaded reports are automatically imported into the Encompass loan file.
- Fees sent by the agent can be imported into the Encompass loan file.

To Add a Preferred Provider:

1 Open a loan.

2 Click the **Services** tab, and then click **Order Title & Closing**.

3 On the Order Title & Closing window, click the **My Title Companies** tab.

4 Click the **New** icon.

NOTE: Access to the New icon is controlled by your administrator. If the New icon is not available, contact your administrator to request access rights.

5 On the Add Title Company window, type the company name, mailing address, and preferred agent information. To import information for a preferred provider from your File Contacts, click the **Title**, **Escrow**, or **Settlement** button.

NOTE: The contact information must already exist in the File Contacts tool under the appropriate role: Title Insurance Company, Escrow Company, Settlement Agent. If the File Contacts tool does not contain any information for the role, its corresponding button will be disabled from selection.

To import information for a Business Contact as the title, escrow, or settlement agent, click the Select a Business Contact icon.

*NOTE: The title or escrow company's contact information must already exist in the Business Contacts tool and be assigned to its appropriate category: **Title Company** for title contacts, **Escrow Company** for escrow contacts, and any (or no) category for settlement contacts. If the title or escrow Business Contact has not been assigned to its appropriate category, it will not appear for selection.*

6 Click **Save**.

- Or, click **Save and Continue to Order** to add the preferred provider to your My Title Companies list and continue to the providers order screen.

- Your preferred provider is added to your My Title Companies list.

To Submit an Order:

1 Open a loan.

2 Click the **Services** tab and then click **Order Title & Closing**.

3 On the Title & Closing window, click the **My Title Companies** tab.

4 Select one of your preferred title providers:

- To request a fee quote, click the link in the **Fee Quote** column. (For providers with an account on the Ellie Mae Portal only.)

- To order from the selected provider, click **Order**.

5 Use the tabs to complete your order:

Order Title & Closing

Specify the following:

- **Title/Closing Agent** - If title/closing agents are listed, select the agent who will receive the request. Otherwise, leave this field blank.

- **Need by Date** - The date the title is needed by.

- **Estimated Closing Date** - The estimated date the loan will close.

- **Comments** - Special instructions or notes for the title/closing agent. This is optional.

- **Attachments** - Up to two documents. Click the **Attach** icon to attach a PDF or DOC document. You can browse to the location on your hard drive or eFolder.

- **Products** - The products you want to send to the title/closing agent. If the agent you selected does not service the area in which the subject property is located, no products will be listed.

- **Include Fee Quote Request?** - Include a request for a fee quote with the title & closing order:

  - **Quote Needed By** - The date the fee quote is needed by.

  - **Comments** - Special instructions or notes to include with the fee quote request. This is optional.

Request a Fee Quote

Specify the following:

- Whether to send a title request to a title agent by selecting the **Request Fee Quote** check box.

- **Title/Closing Agent** - If title/closing agents are listed, select the agent who will receive the request. Otherwise, leave this field blank.

- **Need by Date** - The date the fee quote is needed by.

- **Comments** - Special instructions or notes for the title agent. This is optional.

Payoff

Specify the following:

- Whether to order payoff documents from the title agent by selecting the **Order Payoff** check box.
- **Payoff Number -** Select the payoff number, 1-5.
- **Lender Name/Phone Number -** Enter the name and phone number of the lender associated with the loan.
- **Lien Priority -** If there are multiple leans on the property, select the lien priority of the payoff, 1 or 2.
- **Liability Type -** Whether the payoff amount you are requesting is for a mortgage or a home equity line of credit.
- **Loan Number -** The 10-digit number assigned to the loan.
- **Loan Amount -** Amount of the loan.
- **Secured by Property -** Whether the property is the collateral on the loan.
- **Payment Method -** Whether the payoff amount is to payoff or pay down the mortgage or HELOC.

Send File Contacts

Select any of the following File Contacts or Closing Conditions to send to the title agent:

NOTE: The information must already exist in the File Contacts tool under the appropriate role (e.g., Buyer's Agent, Seller's Agent, etc.) or in the Closing Conditions form. If the File Contacts tool or Closing Conditions form does not contain any information, its corresponding check box will be disabled from selection.

- **Buyer's Agent** - The buyer's agent in the File Contacts tool.
- **Seller's Agent** - The seller's agent in the File Contacts tool.
- **Escrow Company** - The escrow company in the File Contacts tool.
- **Closing Instructions/Conditions** - The closing instructions/conditions in the Closing Conditions form.
- **Title Insurance Company** - The title insurance company in the File Contacts tool.
- **Settlement Agent** - The settlement agent in the File Contacts tool.

6 A transaction fee is paid by the title/closing agent to Ellie Mae, Inc. when they accept an order they receive from Encompass. If available, you can use the **Payment Option** check box to pay this transaction fee for the title/closing agent.

- If available, select the **Payment Option** check box to pay the title/closing order transaction fee using the corporate credit card **authorized by your system administrator**. The credit card is charged immediately at the time of the transaction.

OR

- If available, select the **Payment Option** check box to pay the title/closing order transaction fee using your own credit card. Click the **Payment Information** button, enter the required credit card and billing information, and then click **OK**. The credit card is charged immediately at the time of the transaction.
- Unless a payment option is selected, the title/closing order transaction fee is charged to the title/closing agent. The transaction fee must be paid before the title/closing agent will be allowed to view or accept the order.
- This option is available only if authorized by your system administrator using the **Title Service tool** in Encompass Settings.

7 Click **Submit Order**.

8 Click **OK** in response to the confirmation message.
   When an order has been submitted, the **Check Status** icon displays on the **Order Title & Closing** button.

To View Order Status:

1 On the **Services** tab, click **Order Title & Closing** button to open the Order Status tab. The Order Status tab has three sections:

- The Order Status tab displays the status and history of each order.
- The Status column shows the status of each order: Delivered or Requested.
- A separate order is created for each product requested.

2 Click **Close** to close the window.

To View Returned Documents:

When the completed report is uploaded, you will be notified via email that the title order is ready.

1 Open the related loan file.

2 On the **Services** tab, click the **Order Title & Closing** button to open the Order Status tab. The Order Status tab has three sections:

- **Orders** – View a list of title orders for the loan.
- **Order History** – When you select an order in the Orders section, the Order History section displays a list of activities related to the order, including the date and time when the activity occurred, the persons who initiated and received the action, the type of activity, comments related activity, and attachments associated with the activity.

- **Send Message to Title Agent** – If your administrator has given you permission, use this section to send a message type with any additional comments and file attachments to the title agent.

3. To view the details of an order, select an order from the Orders section, and then click the **Order Details** link in the Attachments column in the Order History Section.

4. When a title agent sends a file to you, click the **Import** link in the Orders section to open the Order Update window to view the report data and documents that are available to import.

5. Select the check boxes for data, fees, and documents, and then click the **Import** button to retrieve and import the data, fees, and documents. Refer to the following Import Fees section for additional details.

Importing Title Fees

If your provider subscribes to the Encompass Title Center, they can send you their title fees, which you can then import directly to the Itemization input form in Encompass. You are notified via email when your agent has sent you their fees.

- On the Import Data From Title Agent window, select a check box to import the fee or clear a check box to exclude a fee.

- To import the selected fees to the Itemization input form, select **Import**.

NOTE: Imported fees are available in the Itemization import form, where you can modify fees and save the loan to send the modified fees to the title agent.

6. If a PDF document has been retrieved, click the document link in the Attachments column in the Order History section to open the file in the Document Viewer window.

7. If your administrator has given you permission, you can send a comment or file attachment to the appraiser. Enter a comment in the **Comments** field, follow one of the procedures below to attach a file, and then click **Send Comments**.

To Attach a File from Your Computer:

1. Click the **Attach** icon.
2. Select the option to browse your computer.
3. Click **Continue**.
4. Browse to select the file, and then click **Open**.

To Attach a File from your Encompass eFolder:

1. Click the **Attach** icon.

2. Select the option to browse from the Encompass eFolder. Select the check boxes for data, fees, and documents, and then click the **Import** button to retrieve and import the data, fees, and documents.

3. Click **Continue**.

4. Select a document from the list (only documents with file attachments will display), and then click **Continue**.
   The file or files attached to the document will be sent to the title agent.

Using Product and Pricing Services

Use the Product and Pricing service to search for best fit loan programs and pricing information. Loan information is passed directly from Encompass to the selected search provider, who then returns a list of loan programs for which your loan is prequalified.

*NOTE: You must have an account with the provider before you can request a search. Follow steps 1 and 2 below, and then click the **More info** link to open the provider's storefront or sign up for an account.*

To Search for Product and Pricing Options:

1. Open a loan and click the **Services** tab.

2. Click the **Search Product and Pricing** button.

*TIP: The **Product and Pricing** button is available on the Borrower Summary form and the Contacts tab for each borrower contact.*
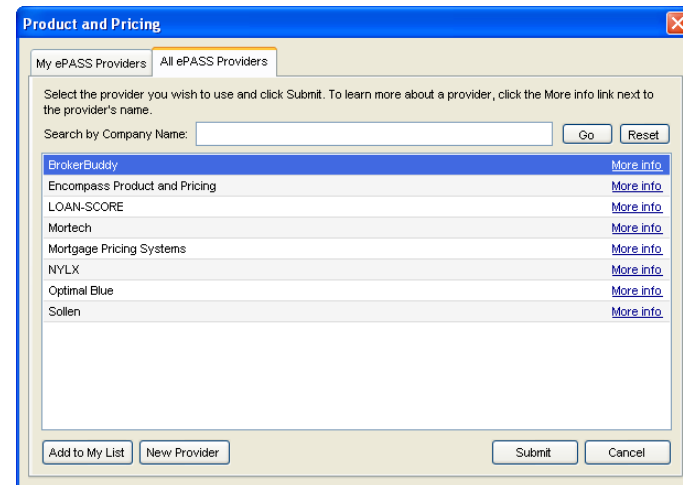
- If the Re-Lock Enablement and Auto-Lock settings are in effect and a user attempts to price a loan via EPPS using this button, an error message, *"The pricing request violates your administrative settings and cannot be processed."* is displayed.

  - This error message was introduced in the Encompass 19.1 release.

3 On the Product and Pricing window, select the name of a provider, and then click **Submit**.

4 On the Product and Pricing Request window, enter User Login Information, select a Request Type, click **Submit**, and then follow the provider's instructions.

Working with Search Results

When you submit a product and pricing search request, the provider returns a list of programs, rates, and prices matching the loan details. After selecting a program/rate/price combination, follow the provider's instructions to update the loan file with the selected product. You can update your loan in Encompass with data from a selected loan program, or submit the loan directly to a lender who is an electronic service providers.

Working with EPPS Search Results

When you submit a request for a rate lock to the Encompass Product and Pricing Service (EPPS), rate lock information is returned into the related rate lock fields in the Encompass loan file, and one or more documents with product and pricing information are imported into the Encompass eFolder.

NOTE: Your administrator must configure settings in EPPS to authorize specified users to return and view the summary documents. For detailed instructions, view the "Configure Access to EPPS Summary Documents" Quick Reference Guide in the Encompass Help site, which is accessible from the Help menu in Encompass.

To Return Rate Lock Information from EPPS:

1 When you order product and pricing from the Encompass Product and Pricing Service, the EPPS website displays on the **Services View** tab in Encompass. Follow the instructions in the EPPS online help to submit your order.

2 When you complete the order and click **Submit** or **Float**, a window displays the fields IDs, current values, and new values for Encompass fields that were updated with new rate lock data from EPPS. Click **Close**.

3 Click **OK** when the confirmation window displays.

- If you are authorized to return and view product and pricing summary documents from EPPS, the documents will be imported into the Encompass eFolder where you can view them.

Submitting EPPS Loans to Encompass

Your EPPS and Encompass systems can be configured to allow users to start loans on the EPPS website and then submit them to Encompass, where a new loan file is created based on data entered on the EPPS website. For additional information, view the *Submit Loans from EPPS to Encompass* Quick Reference Guide in the Encompass Help site, which is accessible from the Encompass Help menu.

Accessing Lenders

Use the Access Lenders service to submit loans directly to your lender's website from Encompass.

Types of Lenders

There are three types of lenders available in the Access Lenders service:

- The **one-way connected** icon displays next to lenders that are directly connected to Encompass through the Ellie Mae Network. You can automatically send your loan information to these lenders' websites.

- The **two-way connected** icon indicates that you can also receive information from the lender back in to your loan file.

- When working with lenders who are not directly connected to Encompass, you can export your loan information to your computer and then manually upload the file using the lender's website.

To Submit a Loan to a Lender Connected to Encompass:

1 Open a loan and click the **Services** tab.

2 Click the **Access Lenders** button.
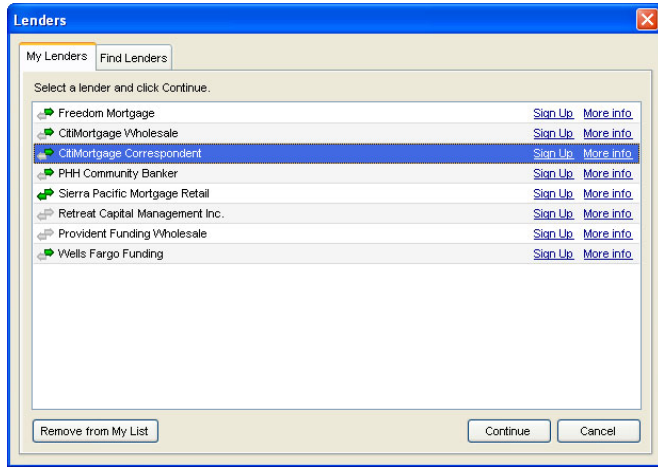
3 On the Lenders window, select a lender on the **My Lenders** tab, and then click **Continue**.

  • Or you can select a lender from the **Find Lenders** tab. The selected lender is automatically added to the My Lenders list.

  • To add a lender, click **New Lender**. Enter the name (usually the company name) and the link's URL, and then click **Add Custom Link**.

4 On the Lender Submission Request window, enter Lender Login Information if required and select a Request Type.

5 To notify your lender that you are submitting a loan, select the **Notify Lender Account Executive** check box, select your account executive from the drop-down list, and then enter a message.

  • To add a lender account executive, click **Add**.

  • Enter the executive's name, or click the icon to select from the business contacts database.

  • Enter the executive's email address and click **Save**.

6 Click **Continue**.

7 On the lender's website, complete required information and submit the loan.

To Submit a Loan to a Lender Not Connected To Encompass:

1 Open a loan and click the **Services** tab.

2 Click the **Access Lenders** button.

3 On the Lenders window, select a lender on the My Lenders tab, and then click **Continue**.

  • Or you can select a lender from the **Find Lenders** tab. The selected lender is automatically added to the My Lenders list.

  • To add a lender, click **New Lender**. Enter the name (usually the company name) and the link's URL, and then click **Add Custom Link**.

4 On the Lender Submission Request window, select a request type: **Export Fannie Mae formatted file & visit lender website** or **Visit lender website**.

5 If exporting the file, enter the location where the file is to be exported.

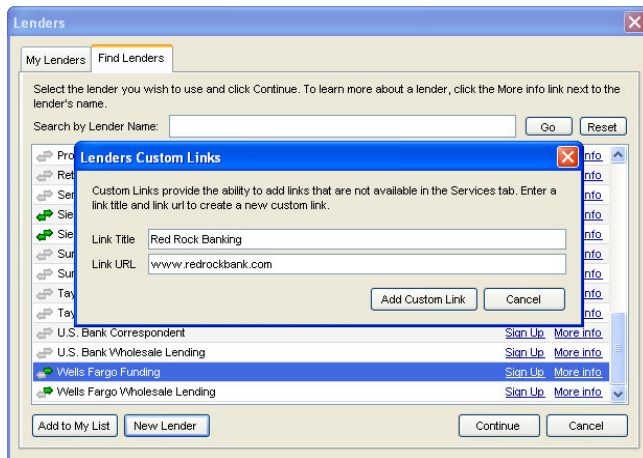**6** To notify your lender that you are submitting a loan, select the **Notify Lender Account Executive** check box, select your account executive from the list, and then enter a message.

  • To add a lender account executive, click **Add**.

  • Enter the executive's name, or click the icon to select from the business contacts database.

  • Enter the executive's email address and click **Save**.

7 Click **Continue**.

8 Log in to the lender's website and follow their instructions to upload the file from your computer.

Submitting a Loan to a GSE

After completion of the 1003, Loan Estimate, and RegZ-LE, you can submit the loan to a GSE (Government Sponsored Enterprise) to receive preliminary approval and/or loan conditions:

- Fannie Mae DO

- Fannie Mae DU

- Freddie Mac's automated underwriting service, Loan Prospector®

Submission Process

The following example shows how to submit a loan to Fannie Mae DO from the **Services** tab.

Before submitting a loan to a lender through Fannie Mae DO, you can receive preliminary findings to gauge a borrower's qualifications and compare product offerings before submitting the loan to a lender.

On the Fannie Mae Submit Loan: Select Submission Options page, you can:

- Select Preliminary Findings for a single product or for multiple products (without committing to a lender)

- Select a Multi-product Lender (marked by an asterisk) - You can receive findings for a single product or for multiple products; single product submissions can be Interim or Final

- Select any lender not marked by an asterisk - You can receive findings for a single product and send an Interim or Final submission

For a DO submission, Fannie Mae requires a credit report with a Fannie Mae reference number. You can order credit from the same window, or provide information from a previously received credit report. This example assumes that a credit report was already ordered and received.

NOTE: As with other Ellie Mae Network service providers, you must establish an account and password before you can submit a loan to a GSE.

To Request Preliminary Findings:

1 Open a loan in Encompass.

2 On the **Services** tab, click the **Request Underwriting** button.

3 On the Underwriting window, click **Fannie Mae DO for ePASS**, and then click **Submit**.

4 On the Fannie Mae DO page, click the **Submit to DO for ePASS** link on the upper-left of the page.

5 On the Select a Credit Report Option window, select **Order a credit report**, select a credit provider from the list, and then click **Next**.

- Or, select the option to provide a reference number, click **Next**, and then complete the Edit Credit Reference Information window.

6 Enter your Fannie Mae Account Number and Password for the credit provider you selected.

7 On the Submit Loan: Select Submission Options page, select **Preliminary Findings** from the Select Submission Option drop-down list.

8 Select **Multiple Products** from the drop-down list in the second section, and then click **Next**.

9 On the Submit Loan: Select Products for Submission page, select from 2 to 5 products, enter a potential interest rate for each, and then click **Submit**.

Multiple Products

1 On the Submit Loan: Select Submission Options page, select the **Multiple Products** option and then click **Next.**

2 On the Submit Loan: Select Products for Submission page, select from 2 to 5 products, enter a potential interest rate and points for each, and then click **Submit**.

3 On the Recommendations Summary page, click the link in the Recommendation column to view the findings for each product.

4 Click to select the desired product and click **Select Product**.

   • The findings for the selected product are displayed and added to the loan file in Encompass.

Single Product

   • On Submit Loan: Select Submission Options page, click the **Single Product** option, and then click **Submit**.

   • The findings are displayed and added to the loan file in Encompass.

To Import Conditions:

1 To import the conditions to the loan file, click **Import Conditions**.
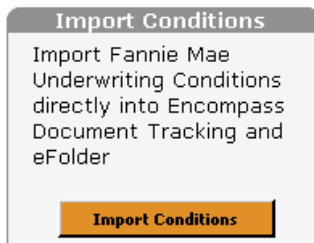
2 On the Import Conditions window, select the conditions you want to import, and then click **Import**.

The conditions are imported to the Preliminary Conditions tab in the eFolder.

To View the Returned Findings from the eFolder:

1 Click the **eFolder** icon in the upper right of the Loan tab.

2 On the Preliminary Conditions tab, click the **New** icon.

3 Select **Add Conditions from AUS findings**, and then click **OK**.

To View the Returned Findings from the Loan Tab:

1 On the **Services** tab, click the document icon to the right of the Request Underwriting button.

2 On the View Document window, click the **View** button.

Review the Imported Conditions from the eFolder:

1 Click the **eFolder** icon in the upper right of the Loan tab.

2 Click the **Preliminary Conditions** tab, select the condition, and then click the **Edit** icon.

Interim or Final Submission

When you are ready to make an Interim or Final submission, use the same procedure as for Preliminary Findings, with the following exceptions:

- On the Submit Loan: Select Submission Options page, select a lender (instead of selecting the Preliminary Findings option).

- If you select a lender marked by an asterisk (*), you can receive findings for multiple products as well as for a single product. If you select the **Single Product** option, you must then select a product, and indicate if the submission is **Interim** or **Final**. If you select the **Multiple Products** option, the submission is **Interim** by default.

- If you select a lender not marked by an asterisk, you can select only the **Single Product** option.

Sending Files to Lenders

1 On the eFolder, click the **Documents** tab, and then click the **Send** button.

2 Click **Send Files to Lender**.

3 On the EDM Lenders window, select a lender or investor from the list, and then click **Submit**.

4 When the Select Documents window opens, select a Stacking Order if needed, and select one or more completed documents to include in the submission package.

NOTE: Stacking orders control the order in which documents display on the Send Documents window, and on the Loan Center, WebCenter, or Encompass Consumer Connect. To change the document order, select a different Stacking Order from the list. Document stacking orders are maintained by the administrator in Encompass Settings. When a stacking order is applied, a visual indicator denotes the status of the documents and their file attachments. When a document in the stacking order does not have a file attachment, the document is highlighted in pink when a file attachment is required and in yellow when a file attachment is optional. Documents are not highlighted when they have files attached.

5 Click the **Update Template** button to open and edit the Stacking Order template if needed.

NOTE: This button is visible only for user who have access to the Document Stacking Template setting. When you click the button, a pop-up message states that you are about to update the company-wide document stacking template configured by the administrator. You have the option to continue or cancel the update. If the template is updated, an entry is added to the Encompass log recording the date and your user ID.

6 Click **Continue**, or click **Preview** to preview the files.

NOTE: When a Stacking Order is applied and one of the required documents does not have a file attached, the Continue and Preview buttons are disabled, and you will not be able to continue past this window.

7 If the Image Upload Information window opens, complete the information on the screen, click **Continue**, and follow the instruction provided by the investor.

8 If the Submit to Lender window opens, review and edit the information as needed, and then click **Submit**.

NOTE: For a native format file, notes are included in the file when it is sent via the eFolder. If you do not want notes included, delete them before sending files via the eFolder. For image files, only notes that have been created as Public notes are included when the file is sent.

Creating and Submitting HMDA Reports

If your company is required to submit HMDA information, a report containing the HMDA data must be created and then submitted to the processing agency indicated by your supervisory agency by March 1 following the calendar year when the data was collected. For detailed information about submitting a report, refer to "Creating and Submitting HMDA Reports" on page 63.

Chapter 8

The eFolder

The eFolder provides a central location for Electronic Document Management (EDM) within Encompass, allowing you to access and manage the electronic files, documents, and conditions associated with a loan. This chapter provides instructions for completion of the key features of the eFolder. For additional details, refer to the Encompass online help.

Using the eFolder, you can:

- Request documents and settlement services
- Retrieve returned documents and attach them to a loan
- Send eDisclosure packages to borrowers
- Send documents to borrowers and authorized third parties
- Submit a loan to a lender
- Create conditions and import conditions from Fannie Mae DO and Fannie Mae DU submissions
- View a detailed history of changes to electronic files, documents, and conditions for a loan

The eFolder tracks document-related activities wherever they take place in Encompass. For example, if you order a credit report from the Borrower Summary form, the request is recorded on the Documents tab on the eFolder. Conversely, if you order services or request documents from the eFolder, those actions are recorded in the loan Log and on document worksheets as appropriate.

NOTE: Some eFolder features are licensed add-ons. Contact your Ellie Mae sales representative for more information. Once you have purchased licenses, you can manage licensed users and begin to use the add-on features.

About Files, Documents, and Conditions

File - 📎 🖼️ A file is an electronic document sent to you from a borrower or service provider, usually via fax, your service provider network, the Loan Center, the WebCenter, or an Encompass Consumer Connect website. When you receive a file, you can attach it to the eFolder for a loan, and then assign it to a document. A file can be assigned to only one document at a time.

Document - 📄 📑 A document is an entry in the eFolder that allows you to track the status of a loan document as the loan moves through the Pipeline. When you access a document on the eFolder, you can also access the files that have been attached to the document. A document can have multiple files assigned to it. For example, the Bank Statements document might have a PDF file attached for each bank account associated with the borrower.

Condition - 📋 A condition is an entry in the eFolder that allows you to track the status of a loan condition as the loan moves through the Pipeline. You can assign multiple documents to a condition, and you can assign the same document to more than one condition. When you access a condition on the eFolder, you can access all the documents assigned to the condition, as well as any files that have been assigned to the documents.

Image Files and Native-Format Files

Your administrator can configure the Encompass settings to control the file format used when loan documents are imported into the eFolder. Administrators have two options for configuring the import process:

- **Native format** - Import documents in their native file format (typically a PDF or .doc file). Native format files are viewed in a PDF viewing panel in the eFolder. This is the default import option and the view used exclusively in Encompass prior to version 7.5.
- **Image-based format** - Import documents as image files. Files are converted from their native file format into image files, which saves storage space and reduces loading times in the viewing panel.

Depending on the import option selected by the administrator, users will see different user interfaces and will perform different procedural steps when working in the Document Details window and File Manager in the eFolder. Additionally, if the administrator changes the import configuration option, a user might have both image files and native format files associated with the same loan file. In that case, different viewing panels display on the Document Details window and the File Manager, depending on whether a user has selected an image file or native-format file.

The easiest way to determine whether a file is an image file or native-format file is to look at the icon to the left of the file name. An image file will have an image icon 🖼️ and a native-format file will have a paper clip icon 📎 .

How Different File Types Display

The images below illustrate the user interface for the Document Details window for native-format files (left) and image files (right). The same features display in the File Manager user interface for image files and native-format files.
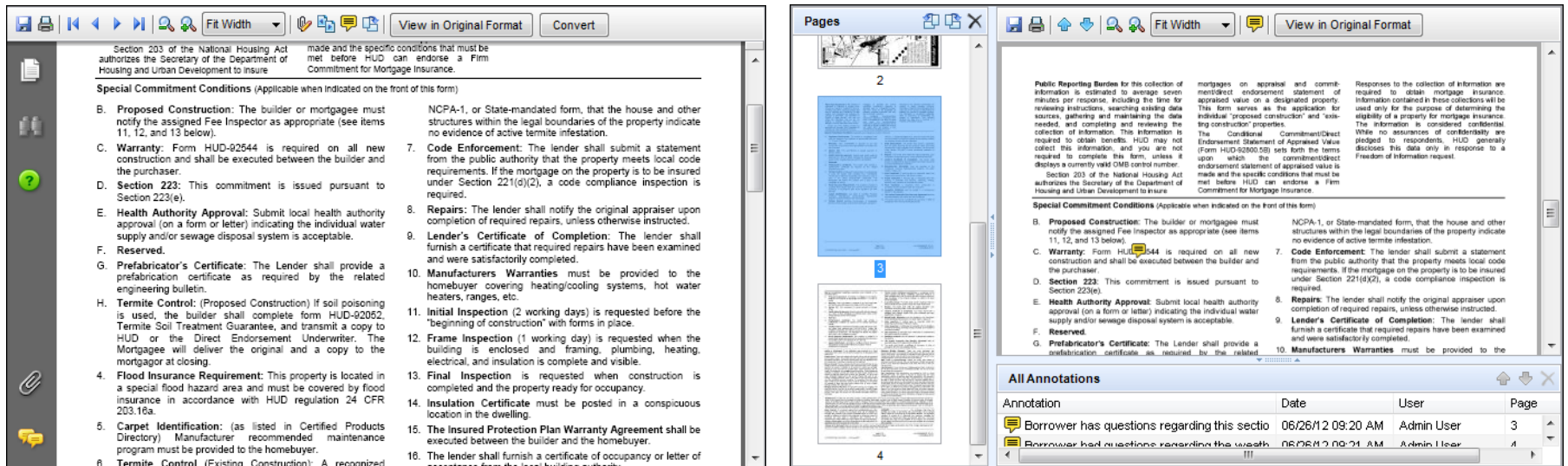
The items below describe the major differences in the Document Details windows that display for native-format files and image files:

- Different icons are available in the toolbars above the viewing panels for image files and native-format files.

- For native-format, the viewing panel has a **Convert** button. Click the button to convert a native-format file into an image file.

- For image files, a Pages panel displays thumbnails of the pages for a selected file. Select a thumbnail to view the page in the viewing panel.

- For image files, select one or more thumbnails and then click the **Rotate Left**, **Rotate Right**, and **Delete** icons at the top of the Pages panel to rotate or delete pages.

- For image files, an expandable and collapsible panel at the bottom of the viewing panel allows users to view notes for all pages in a file.

eFolder Tabs

The eFolder includes a Documents tab for managing and tracking documents, three conditions tabs for managing and tracking conditions, and a History tab for recording changes made by users in the eFolder. The Administrator sets access to tabs based on your persona settings.
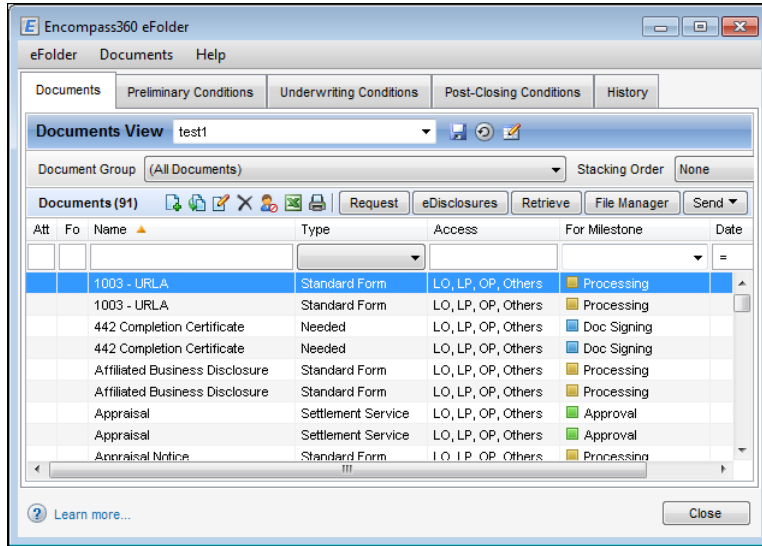
Customizable Views

You can change the view of your eFolder Documents, Preliminary Conditions, Underwriting Conditions, or Post-Closing Conditions tabs by sorting the content, applying search filters, and adding or removing columns. After specifying and applying search criteria (search filters, sorting, and column layouts), you can save a view for future use. Views are useful if you want to quickly view eFolder content that matches a predefined set of search criteria.

To Sort:

1 Click a column header to display loans in ascending order based on the information in the column.

2 Continue clicking the column header to toggle between ascending and descending order.

To Apply a Search Filter:

1 Enter a search term in the field above a column that contains the type of information for which you want to search. There are three types of fields:

- **Blank field** - Enter all or part of your search term, and then click anywhere in the table below.
- **Drop-down list** - Select an option from the list to find documents or conditions that match your selection.
- **Field with greater than, less than, or equal to signs** - Select a **greater than**, **less than**, or **equal to** sign (>, <, or =), enter a date, and then click in the table.

2 Continue adding search terms to other columns to refine your search.

3 To reset the list, click the search fields.

To Add, Remove, or Rearrange Columns:

1 Right-click a column header.

2 Click **Customize Columns**.

3 To remove a column from an eFolder tab, clear the corresponding check box.

4 To add a column, select the corresponding check box.

5 To move a column, select the column and use the Up and Down arrows to reposition the column.

To Save a Search as a View:

1 Click the **Save** icon.

2 Select **Save as**.

*NOTE: The **Update the current view** option is available only for custom views. You cannot save or update the Standard view.*

3 Enter the name of the view.

4 To set this view to be displayed when you open the eFolder, select **Set as my default** view.

5 Click **Save**.

*NOTE: The view is added to the **Documents View** or **Conditions View** drop-down list. Select this view at any time to apply the search criteria to a document or conditions tab.*

To Manage Views:

1 Click the **Manage View** icon, and then select a view from the list.

2 Use the icons and buttons on the upper-right to duplicate, delete, or rename a view, or to change the default view.

NOTE: You cannot delete a Standard view or the default view.

The Documents Tab

Use the Documents tab on the eFolder to request and manage documents. Documents include loan forms, loan-related files, and settlement services that you receive from borrowers and service providers. The Documents tab also records the ordering and receipt of loan documents, and tracks document-related activities wherever they take place in Encompass. For example, if you order an appraisal from the Services tab in a loan file, the request is recorded on the Documents tab in the eFolder.

If you select a Document Group from the drop-down list, only the documents in the selected document group will display in the Documents list. Apply a predefined stacking order to your documents by selecting from the Stacking Order list at the top of the Documents panel.

Documents that have file attachments associated with them will display a file (paper clip) icon in the **Attachments** column. Documents that have underwriting conditions associated with them will display a condition icon (yellow rectangle) in the **For Underwriting** column. Apply a predefined stacking order to your documents by selecting from the Stacking Order list at the top of the Documents panel.

You can initiate the following activities from the Documents tab:

- Add Documents
- View and Edit Documents
- Work with Files
- Request Documents and Settlement Services
- Send eDisclosure Documents
- Retrieve Documents and Settlement Services
- Manage Files
- Change the Access Rights for a Document
- Send, Save, and Print Files
- Submit Files to a Lender
- Print Fax Cover Sheets
- Archive and Retrieve Loan Documents

Add Documents to the eFolder

You can add eFolder documents from the Documents tab or from the File Manager. When you add a document, you have the options of adding a new document or adding one or more documents from the Document Sets. Most documents will be added from the Document Sets, which are sets of predefined documents that ship with the product or that are created by your administrator. If you need to add a unique or unusual document to the eFolder, you can select the option to add a new document.

NOTE: Authorized users can also add documents to the eFolder's Documents tab from the Select Documents window when they are generating initial disclosures. For more information, refer to the "To Generate Initial Disclosures" section on page 264.

To Add Documents from Document Sets:

1 Click the **New** icon on the **Documents** tab, or in the Documents section of the File Manager.

2 Select **Add documents from Document Sets**, and then click **OK**.

3 On the Select Document Set Template window, select a Folder and a set of documents, and then click **Select**.
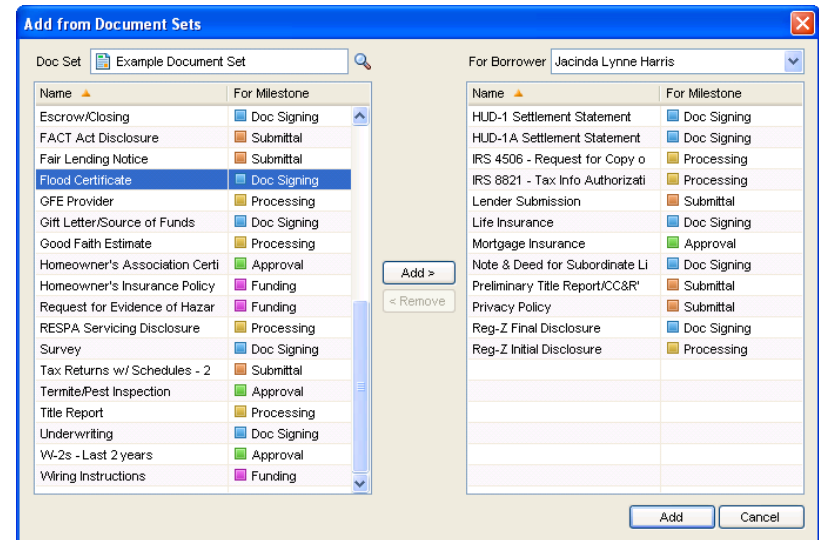
4 On the Add from Document Sets window, select a borrower from the for Borrower Pair drop-down list.

5 Select one or more documents from the left panel, and then click the **Add** button in the center of the window to move the document to the right panel.

*NOTE: To change the set of documents, click the **Find** icon next to the Doc Set field. Select a set of documents, and then click **Select**.*

6 When finished, click the **Add** button at the bottom-right of the window.

NOTE: A document that has been added to the eFolder Documents tab will also display on the Documents section of the milestone worksheet if a loan team member can access the document.

To Add a New Document:

1 On the Documents tab, select the Document Group to which you want to add a new document, and then click the **New** icon.

2 Select **Add a new document** and click **OK**.

3 On the Document Details window, in the Details section, enter or select a name in the **Name** field.

4 In the **for Borrower Pair** field, select a borrower.

5 In the **For Milestone** field, select a milestone with which to associate the document.

NOTE: If the milestone you select here is later removed from the milestone template that is currently applied to the loan file, the next current milestone (i.e., the next milestone that needs to be finished in order for the loan file to move forward) is automatically assigned to this field.

6 If the document is a supporting document for a condition, the Conditions field lists the conditions with which the document is associated.

7 To make the document a supporting document for a condition, assign the document to a condition.

To Assign the Document to a Condition:

1 Click the **Condition** button.

2 Select a condition type from the Conditions list.

3 To assign the document to an existing condition, select the check box for one or more conditions, and then click **Close**.

4 To assign the document to a new condition, click the **New** icon, select the type of condition, and then click **OK**.

NOTE: If you need to create the condition to which the document will be assigned, refer to "Create Conditions" on page 278.

8 Click the **ARTR/QM** button to tie the document to ATR/QM data. For detailed information, refer to "To Tie the Document to ATR/QM Data:" on page 254.

9 If your administrator has added the documents to one or more Document Groups, the Documents Groups are listed in the **Docs Groups** field.

NOTE: The Docs Group field does not indicate when a document belong to the (All Documents), (eDisclosures), or (Settlement Services) group.

10 In the Available section, select a check box to configure whether document or service are available to send to borrowers or lenders from the eFolder and are viewable in the TPO WebCenter or Encompass TPO Connect.

- **WebCenter** - The document or service will be visible to borrowers or partners via the WebCenter, Loan Center, or Consumer Connect website. This option is used when documents are sent by clicking the **Send** button in the eFolder, and then clicking **Send Files**.

- **TPO WebCenter Portal** - When a loan has been originated on the TPO WebCenter or Encompass TPO Connect, the document or service will be visible to the loan originator via the TPO WebCenter or Encompass TPO Connect. The document will become visible after the loan file is saved in Encompass.

- **EDM Lenders (Send Files to Lender)** - The document or service will be visible when files are sent to lenders. This option is used when documents are sent by clicking the **Send** button in the eFolder, and then clicking **Send to Lender**.

11 When working with a Closing Disclosure document, a **Mark as Final CD**, **Mark as Final CD (Alternate)**, or **Mark as Final CD (Seller)** button displays at the bottom of the Details panel. To mark the document as final, click the button, select a Signature Type on the pop-up window (**eSignable**, **Wet Sign only**, or **Other**) and then click **OK**.

12 A Marked as Final column is available on the **Documents** tab on the eFolder. **Yes** is populated in the column for final Closing Disclosures. Click the column header to sort for final documents.

- After you mark the document as final, the button is relabeled **Unmark as Final CD**, **Unmark as Final CD (Alternate)**, or **Unmark as Final CD (Seller)**. Click this button to remove the final designation for the document.

- Only one Closing Disclosure can be selected as final in each category (standard, alternate, or seller). Selecting another document as final removes the final designation from all other Closing Disclosure documents in that category.

13 In the Tracking section, click the **Status** tab.

- Optionally enter the expected Days to Receive and Days to Expire.

  •The due date and expiration date are calculated when the document is ordered and received.

  •Within one day of the expected date, or if the expected date passes, an alert is generated. If the document is past due, the entry in the Log changes to red text and indicates that the receipt is past due.

14 In the **Requested From** field, optionally enter the entity (typically a company) from whom you are requesting the document.

15 Select a check box to indicate the completion of tasks (**Requested**, **Re-requested**, **Received,** or **Reviewed**) or to indicate that the document is ready for the underwriter or the shipper (**Ready for UW** or **Ready to Ship**)

- The date, time, and user ID of the individual who completed the task is recorded next to the entry.

- Completed tasks are also recorded in the Log.

16 Click the **Comments** tab, click the **New** icon, and then enter comments and notes in the Comment window as required.

17 To send an update alert to a specified user the next time the user accesses Encompass, select the **Send Update Alert** check box, and then select the user from the list.

18 When finished, click **OK**.

To Tie the Document to ATR/QM Data:

1 Click the Document Details window, click the **ARTR/QM** button in the Details section.

2 On the ATR/QM window, select the check boxes for the verification types you will record. A new tab is added to the window for each type selected.

*NOTE: A user can select and clear the check boxes only if the administrator has given the user permission in the Personas setting on the **Forms/Tools** tab in the Tools section (Verification and Documentation Tracking).*

3 To add a verification record, click a tab, and then click the **Add** icon in the appropriate section of the tab.

4 On the verification window, select the options that apply for the borrower and co-borrower, and then click **Add**.

• Some selections have editable text boxes that enable users to enter additional information.

*NOTE: Review entries carefully before you click **Add**. After entries have been added, they cannot be deleted from the ATR/QM window. To remove an entry, click Cancel before saving the selections. This clears all your entries. You can then open the window again to re-enter the data.*

5 On the verification tab, entries are marked as **B**, **C**, or **J** for Borrower, Co-borrower, or Joint. Click a cell in the **How was it verified?** column to enter the verification method for the entry.

6 Complete the entries on all the relevant tabs, and then click **Save**.

*NOTE: After you click **Save**, only a user with the Administrator persona can delete the document, and the selections cannot be changed with the exception of the **How was it verified?** text, which can be changed by a user who has been granted editing rights in the Personas setting on the **Forms/Tools** tab in the Tools section (Verification and Documentation Tracking).*

7 After the entries have been saved, the verification types selected in the ATR/QM window will display in the ATRM/QM text field in the Details section on the Document Details window and in the Details section on the Document Details tab in the Document Manager.

8 The entries are also recorded in the Documentation and Verification Tracking tool, which is accessible from the **Tools** tab on the lower-left of the loan file. Each section on the tool lists the ATR/QM entries for a particular category. The documents associated with the entries for each category are listed in the Documents section.

9 A red flag displays above a category section when one or more of the verifications has not been completed. The following fields must be populated before a verification is marked as complete:

- The **How was the verification completed?** field. on the ATR/QM window.
- The **Received** and **Reviewed** check boxes must be selected on the Document Details window.

10 To clear the flag:

- Double-click a verification entry to open the ATR/QM field to enter information in the **How was it verified?** field.
- Double-click a document to open the Document Details window to select the check boxes.

11 When the required fields are complete, the red flag is replaced with a green check mark.

View and Edit Documents

To view and edit a single document entry, double-click an entry on the Documents tab, open the Document Details window, and then review and edit the document information created during the procedures described in "Add Documents to the eFolder" on page 252.

The Document Manager provides a convenient location where you can view and edit multiple eFolder documents and their assigned file attachments from a single window. For detailed information, refer to "Document Manager" on page 281.

Work with Files

Use the Files section of the Document Details window to attach and assign, view, print, save, reposition, modify, and delete supporting files for the document. Select the **Current Version** check box to indicate the files that are actively associated with the eFolder document. Only the current files are used when you send, submit, or print a document.

NOTE: Only the current files are included in the file size value that displays on the in the Size column on the Documents list on the eFolder Documents tab.

Image Files vs. Native-Format Files

Depending on how your administrator has configured the eFolder settings, files are imported into the eFolder as image files or native-format files (for example, PDF or DOC files). In some cases, the eFolder for a loan may contain both image files and native-format files. Separate step-by-step procedures are provided below for each process when different procedures are used for working with image files and native-format files. To determine whether files are imported into the eFolder as image files or native-format files, look at the icon to the left of the file name in the Files section. An image file will have an image icon 🖼 and a native-format file will have a paper clip icon. 📎

Attach and Assign Files

To associate a file with an eFolder document, you must attach the file to the eFolder. You can attach a file from the Document Details window or the File Manager. When you attach a file from the Document Details window, the file is assigned to the document. When you attach a file from the File Manager, the file is attached as an unassigned file that is not associated with an eFolder document. You can then assign the file to a document.

More than one file can be assigned to the same document, but each file can be assigned to only one document. When you assign a file, it is no longer considered an unassigned file and it cannot be assigned to another document. If an assigned file is removed from a document, it is returned to the Unassigned category and can then be assigned to another document.

- On the eFolder **Documents** tab, select a document, and then click the **Edit** icon to open the Document Details window.
    - To browse and attach, click the **Browse and Attach** icon, browse to select a file, and click **Open**.
    - To scan and attach, click the **Scan and Attach** icon, select a scanner from the list, and click **Scan**.

    NOTE: To use the Scan and Attach feature, you must have a Twain-compliant scanner that is installed locally or on your network.

    - To add any standard Encompass form without having first ordered a service or requested a document from a borrower, click the **Attach Encompass Forms** icon, select one or more forms, and then click **Add**.
    - To attach an unassigned file, click the **Attach Unassigned Files** icon, select a file from the list, and click Assign.

    NOTE: The document is converted into PDF format and added to the Files section.

    - You can also drag and drop a file from a folder or from your desktop into the Files section of the Document Details window.

NOTE: For instructions on attaching and assigning files from the File Manager, refer to "Manage Files" on page 270 or the "Attach and Assign Files" topic in the online help.

To Add a File to the eFolder from Another Application:

During the Encompass installation, an Encompass eFolder print driver is added to the printer selections available for your computer. When viewing a file from an application other than Encompass (for example, Microsoft Word or Adobe Acrobat), use the Encompass eFolder print option to add the file to the eFolder. You can add the file as an Unassigned Document in the eFolder or assign the file to an existing document in the eFolder. Open the eFolder in the loan file to view the file or assign it to an existing eFolder document.

1 When viewing a file from an application other than Encompass, select the print option for the application.

2 Select **Encompass eFolder** as the printer, and then click **OK**.

NOTE: Steps 1-2 provide general guidelines. Printing procedures will vary for different applications.

3 The first time you print to the Encompass eFolder, a login screen displays. Enter your Encompass login credentials, and then click **Log In**.

4 When the Encompass eFolder: Loan List window displays, enter a File Name, and then select a Loan Folder from the list.

5 Optionally, enter a Loan Number or Borrower Last Name.

6 Click **Go**.

7 Select the loan file to which the document will be attached, and then click **Add File**.

8 Click **Add as Unassigned** to add the file as an Unassigned file.

9 Or select a document from the list, and then click **Continue** to assign the file to the selected document and add it to the eFolder.

To View and Print Files:

• Select a file to view it in the viewing panel.

• Use the icons on the viewing panel to move between pages, change the size of the file, and rotate the file.

• When a file is attached to the eFolder, it is converted to PDF format. Click the **View in Original Format** button to view the file in its original format.

• Click the **Print** icon to print the file.

To Reposition File Pages:

• For native-format files, select a file, click the **Edit** icon above the viewing panel, select one or more pages, and then use the **Up** and **Down** arrows to move the pages to a new position.

• For image files, select a file, select one or more pages in the Pages panel, and then drag and drop the pages to a new position.

To Edit a Native Format File:

NOTE: For image files, the edit functions (rotating and reordering file pages) are performed using the image thumbnails in the Pages panel.

1 To edit a native-format file, select it in the Files section and click the **b** icon.

2 On the Pages panel, select a page.

3 Click the **Rotate Page** icon to rotate the page clockwise 90 degrees.

4 Click the **Up** or **Down** icon to change the position of the page in the file.

5 To delete a page, click the **Delete** icon.

To Split an Image File:

1 Select a file in the Files section.

2 Select one or more pages in the Pages panel, and drag and drop them to an image file in the Files section.

To Split a Native-Format File:

1 To split a PDF into multiple separate files, select it in the Files section and click the **Split** icon above the viewing panel.

2 In the Split File window, drag one or more page files from the Original File list into the New File section below, and then click **Split**. The new PDF file is added to the Files list on the Document Details window.

3 To rearrange pages in the Original File section or New File section in the Split File window, select a page and click the **Up** or **Down** arrows

4 To delete pages from the Original File or New File section in the Split File window, select one or more pages and click the **Delete** icon.

To Merge Image Files:

1 Select two or more files in the Files section, and click the **Merge** icon.

2 Rename the file as needed.

To Merge Native-Format Files:

• To automatically combine multiple native-format files into one file, select two or more files in the Files section (press the **Ctrl** key while clicking each document), and then click the **Merge** button.

To Add Notes to a Native-Format File:

1 On the Document Details window, select an entry in the Files section.

2 If the file is protected, click **Yes** when the confirmation message appears.

3 Click the **Add Notes** icon directly above the document viewing window.

4 Click the location on the document where you want to insert the note.

5 Enter the note in the Contents field, and then click **Add**.

NOTE: Notes added to a native format file are included in the file when it is saved as a PDF file or sent to a borrower, lender, or partner via the eFolder. If you do not want notes included, delete them before saving a file as a PDF file or sending via the eFolder.

6 To delete a note, click the **Add Notes** icon directly above the document viewing window, select a note in the Notes section, and then click the **Delete** icon.

To Add Notes to an Image File:

1 Select a file in the Unassigned or Documents section, and then select a page on the Pages panel.

2 Click the **Add notes** icon above the viewing panel.

3 If the file is protected, click Yes when the confirmation message appears.

4 Select one of three Visibility options on the Add Note window to configure who can view the note and whether the note is included in files that are printed or sent electronically to non-Encompass users:

- **Personal** - Visible only to the user who added the comment. Not included in printed or sent files.
- **Internal** - Visible only to Encompass users. Not included in printed or sent files. This is the default option.
- **Public** - Visible to all viewers and included in printed and sent documents.

NOTE: The color of the graphic image for a note varies depending on the Visibility option selected: red icon for Personal; yellow icon for Internal; and green icon for Public. A user can change the Visibility option for an existing note by right-clicking the graphic for a note, pointing to Visibility, and then clicking an option.

5 Click the location in the viewing panel where you want to add the note.

6 When the Add Notes window opens, enter a note in the contents field, and then click **Add**.

7 When finished, click **Save**.

8 To move the note to a different location in the file, drag and drop the **Note** icon to the new location.

9 Click the toggle arrows at the bottom of the viewing panel to expand and collapse a list with the creator, date, time, and page number for all notes in the file, and then click an entry to jump to the page containing the note.

10 In the toggle window, use the **Up** and **Down** arrows to move from one note to another.

To Delete Files:

- Select a file and then click the Delete icon. The file is returned to the list of unassigned files and can be assigned to another document.

To Convert Native-Format Files to Image Files:

- To convert a native-format file into an image file, select one or more files and then click the Convert button.

NOTE: The Convert button is visible to a persona only if your administrator has selected the Document Conversion setting in the eFolder Setup setting. The administrator must also select the Edit File check box for Unprotected Documents, Protected Documents, or Unassigned Files (File Manager) on the eFolder tab in the Personas setting.

Before borrowers can receive loan documents electronically, they must review and accept the eDisclosures Agreement. Use the eConsent Request feature to send borrowers an email with a link to the eDisclosures Agreement form.

Request eConsent

Before borrowers can receive loan documents electronically, they must review and accept the eDisclosures Agreement. Use the eConsent Request feature to send borrowers an email with a link to the eDisclosures Agreement form.

There are four ways to send eConsent requests to borrowers:

- When enough loan information has been collected to require that an eDisclosure package (initial disclosures) be sent to the borrower, a **Send Initial Disclosures** alert displays. An **eConsent Not Yet Received** alert displays in the same alert window. Click the **View Details** button to open the Send Consent window.
- On the eFolder **Documents** tab, click the **eConsent** button to open the Send Consent window.
- When you send an eDisclosures package, an **eConsent** button displays on the Disclosure Audit window if all borrowers associated with the loan have not yet provided consent. Click the button to open the Send Consent window.
- When you send a Pre-Closing Disclosure package, an **eConsent** button displays on the Closing Docs Audit window if all borrowers associated with the loan have not yet provided consent. Click the button to open the Send Consent window.

To Send a Request:

1 On the Send Consent window, select the sender from the Sender Type list. You choose from the following:

- Current User
- File Starter
- Loan Officer

The Name and Email fields are populated based on your selection.

2 Select or clear the check boxes to send the emails to the Borrower, Co-Borrower, or a Non-Borrowing Owner contact.

- Dates are automatically populated in the Sent, Accepted, and Rejected columns to track the progress of the consent process.

3 In the Subject field, select an email template as needed.

- Templates control the email content and formatting. Your Encompass administrator creates the templates in the **eFolder Setup > HTML Email Templates** setting.

4 Click the **Notify Additional Users** button to add users to the list of user who will receive email notification when the request is sent and when notifications or alerts related to the request are generated for the sender.

To Add Users Who Are Loan Team Members:

1 Click the **Find** icon (magnifying glass) in the Add users to be notified section.

2 Select a user from the list and click **OK**.

3 Enter a Notify Through date (after the selected date, the user will no longer receive notifications) and then click **Add**.

To Add Users Who Are Not Loan Team Members:

1 Enter an address in the Email Address field.

2 Enter a Notify Through date (after the selected date, the user will no longer receive notifications), and then click **Add**.

5 Select the **Notify me when borrower receives the package** check box to receive an email notification when the borrower receives the request.

6 Click **Send**.

A standard email containing a link to the Loan Center, WebCenter, or Encompass Consumer Connect website is sent. The email recipients create their own login information, log in to the website, and then view the documents.

- **WebCenter users only:** By default, in order to retrieve documents, borrowers are required to log in to the WebCenter site belonging to the Encompass user who sends the documents to them. If multiple Encompass users send documents, the borrower will be required to create log in accounts for each WebCenter site in order to retrieve the documents.

- Your administrator can use the WebCenter Configuration setting to enable borrowers to use the same WebCenter site to retrieve, send and return documents regardless of who sends the documents. Borrowers can then create and use just one log in account to manage their documents.

Request Documents and Settlement Services

Use the **Request** button eFolder Documents tab to request documents from borrowers and settlement services from service providers.

When you request a borrower document, the Status is changed to Expected and the Date is set to the expected date. When you request a settlement service, the Status is changed to **Ordered** and the Date is set to the ordered date. The details of the request are also reflected in the loan Log.

NOTE: If you select both borrower documents and settlement services, and then click Request, a window provides the option of ordering either the borrowers documents or the settlement services. After you make your selection and place the request, the window closes. You must return to the Documents tab to select and request the remaining documents.

You can request two types of borrower documents, which borrowers can eSign or return by fax or email:

- **Sign and Return** - These documents are sent to the borrower and contain loan data (such as a 1003). The borrower eSigns the documents or prints, signs, and returns them by fax or email.

- **Needed Documents** - These documents are provided by the borrower (such as a pay stub).

To Request Borrower Documents:

1 On the eFolder, click the **Documents** tab, select one or more documents not associated with a settlement service, and then click **Request**.

- Or click the **Preliminary Conditions, Underwriting Conditions, or Post-Closing Conditions** tab, select one or more documents not associated with a settlement service, and then click **Request Docs**.

2 On the Request window, complete the following tasks as needed:

- Select another borrower pair from the drop-down list.

- Clear a document check box if you decide not to send the document.

- Click the **Add** icon to add another document.

- Click the buttons to preview or print the documents before sending.

3 Click **Send**.

4 On the Send Request window, select a **Borrower Signing Option:**

- **eSign (electronically sign and return) -** Borrowers access the documents from a secure website and, after consenting to receive electronic disclosures, review the documents online, and then sign the documents electronically (known as eSigning). You receive an email notification that the signed documents are available. Click the **Retrieve** button in the eFolder to retrieve the documents. If the eDisclosure package contains documents that can be eSigned and documents that must be wet signed, the eSign option is replaced with an **eSign + Wet Sign (for wet sign documents only)** option. Borrowers will sign and return eSign documents electronically as described above, and print, sign, and return the wet sign documents as described below.

- **Wet Sign (print, sign, and fax)** - Borrowers retrieve the documents from a secure website, print, sign, and then return the documents by fax or by mail.

NOTE: If you select **eSign (electronically sign and return)** *and the request includes custom forms that require a signature, be sure you have inserted eSigning signature points in the form.*

5 Select a **Borrower Authentication Method**, if applicable.

- If you select the **Authentication Code** option, type a 4-to-10-digit numerical code in the Authentication Code field for each recipient, and make sure you send the authentication code to the recipient. The code is not automatically sent to the recipient. The authentication code is different from the password the recipient uses to access the site.

- If you select the **Answer Security Questions** option, the borrower is asked security questions related to the information in the loan file.

6 Select the Sender Type:

- Current User
- File Starter
- Loan Officer

7 Select or clear the check boxes to send the emails to the various recipients as needed.

8 The **Name** and **Email** fields are populated based on your selection. If no name or email is listed in the File Contacts tool for the Encompass user associated with the option selected, the fields are blank and editable. Data entered in a blank field is then saved back to the File Contacts tool.

NOTE: For Wet Sign packages, additional recipients can be added as needed by clicking the **Add** *icon at the upper right of the Recipient section.*

9 In the Subject drop-down, select an email template as needed.

- Templates control the email content and formatting. Your Encompass administrator creates the templates in the HTML Email Templates setting.

10 Select the **Notify me when borrower receives the package** check box to receive an email notification when the borrower receives the request.

11 Select the **Notify me when borrower does not accept by** check box, and select a date to receive an email notification when the borrower does not accept the package by the selected date.

12 Click the **Notify Additional Users** button to add users to the list of user who will receive email notification when the request is sent and when notifications or alerts related to the request are generated for the sender. For detailed instructions, refer to "To Notify Additional Users Who Are Loan Team Members:" on page 445.

13 Select a **Borrower Signing Option** and a **Borrower Authentication Method,** if applicable.

NOTE: If your select the Borrower Authentication Method, make sure you send the authentication code to the borrower. The authentication code is different from the password the borrower uses to access the website (see below).

14 Click **Send**.
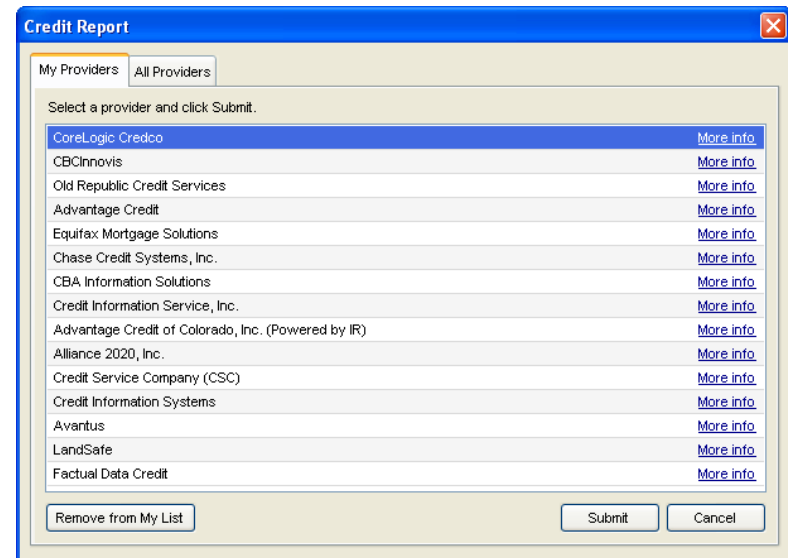
A standard email containing a link to the Loan Center, WebCenter, or Encompass Consumer Connect website is sent. The email recipients create their own login information, log in to the website, and then view the documents.

- **WebCenter users only:** By default, to retrieve documents, borrowers are required to log in to the WebCenter site belonging to the Encompass user who sends the documents to them. If multiple Encompass users send documents, the borrower will be required to create log in accounts for each WebCenter site to retrieve the documents.

- Your administrator can use the WebCenter Configuration setting to enable borrowers to use the same WebCenter site to retrieve, send and return documents regardless of who sends the documents. Borrowers can then create and use just one log in account to manage their documents.

To Order Settlement Services:

Settlement services are ordered electronically from your electronic service providers.

1 On the **Documents** tab, select a document associated with a settlement service, and then click **Request**.

2 On the **My Providers** tab, select the name of a provider, and then click **Submit** or **Order**.

NOTE: The name of the My Provider tab will vary for different services.

3 Complete the required information on the provider's request form and submit the request.

NOTE: If you select both borrower documents and settlement services, and then click Request, a window provides the option of ordering either the borrowers documents or the settlement services. After you make your selection and place the request, the window closes. You must return to the Documents tab to select and request the remaining documents

Generate and Send Initial Disclosures

Use the eDisclosures feature to generate initial disclosures and send them to your borrowers. In Encompass, "initial disclosures" are called "eDisclosures".

When the disclosures are sent, your borrowers are notified by email that disclosure documents are available in the Ellie Mae Loan Center (or WebCenter or Encompass Consumer Connect). Borrowers can print and then return the documents by fax (using the provided fax cover sheet) or by mail, or they can provide an electronic signature and you can then retrieve the documents from the Loan Center, WebCenter, or Encompass Consumer Connect website).

Your Encompass administrator determines whether you can select your own packages or whether the packages are automatically selected for you. Authorized users can also reorganize, add or remove documents from the package. The documents in the package are based on the selected plan code, as well as loan-specific information (for example, the state in which the subject property is located).

To Generate Initial Disclosures:

1   Open the loan file, and then click the **eFolder** icon in the upper-right corner of the screen.

2   In the eFolder, click the **Documents** tab, and then click the **eDisclosures** button.

3   Select a borrower (or borrowers) from the For Borrower Pair list.

4   If you are allowed to select eDisclosure packages, the Select a Package Type section displays below the For Borrower Pair list. Select one or more packages, and select the check box if you need to include the Loan Estimate.

5   Click to select a plan code, and then click **Order eDisclosures**.

•   Only plan codes that match the current loan data are listed. To view all plan codes, click the **Clear Filter** button.

•   You can perform a search by typing data into a field above a plan code column or by selecting an option from a column's drop-down list. Only plan codes containing the specified data are displayed.

•   Click a column header to sort all plan codes in ascending or descending order based on the information in a column.

•   To add a plan code to the list, click the **New** icon, select an investor, and then select the plan code to add. To view a plan code's details, including the values that will be added to the loan file if selected, select the plan code, and then click the **View Plan Code Details** icon (magnifying glass). For detailed instructions about working with plan codes, view the *eDisclosure Plan Codes* help topic.

•   For loans using the 2010 forms (i.e., loans started before October 3, 2015), if the loan file's GFE Date (field ID 3170) is blank, a warning message displays. As stated in the message, if you click **Yes**, the GFE Date will be auto-populated with the current date ("today's date") and you can proceed to generate the eDisclosure package. If you click **No**, the GFE Date is left blank and you will not be able to generate an eDisclosure package until a date is supplied.

6 If any values in the loan file are different from the corresponding values in the selected plan code, the Plan Code Conflict window displays showing the affected fields. Conflicting loan data is identified by an alert icon.
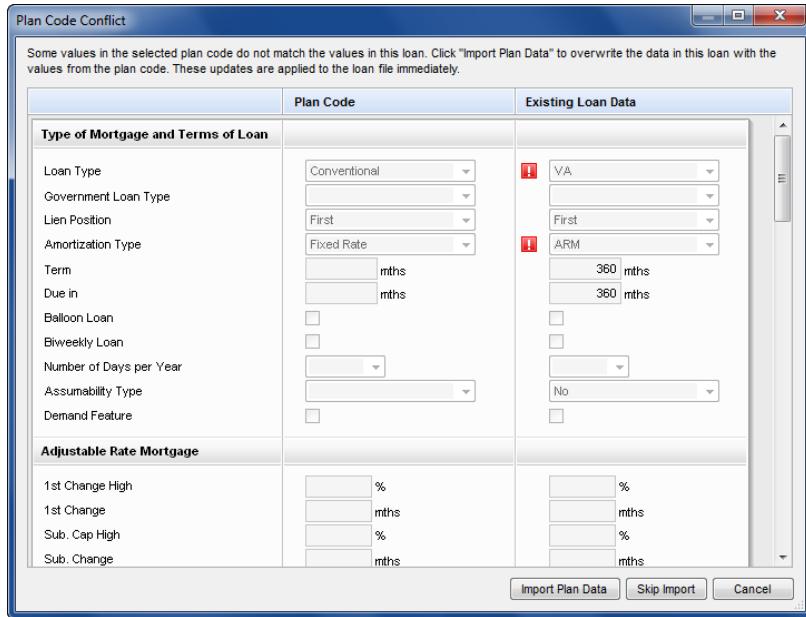
- Click the **Import Plan Data** button to overwrite the current loan data with the selected plan code data. These changes are applied to the loan immediately.
- Click **Skip Import** to proceed without overwriting the loan file.
- Click **Cancel** to close the Plan Code Conflict window without making any changes to the loan data. You can then update the applicable fields in the loan file to resolve any conflicts that were found.

7 If the Disclosures Audit window opens with a list of required issues, warnings, or recommended updates (typically due to inconsistent data), click the link in the Go to Field column to open a form with the field highlighted for data entry.

NOTE: If a virtual field is included in audit results, a hyperlink will not be provided.

8 Correct the described issue, and then return to the Disclosures Audit window. Click **Refresh Audit** to update the Data Audit Results list.

- You must resolve all required errors before generating initial disclosures.
- After you update a field, the issues that are resolved are highlighted in yellow in the Disclosures Audit window.
- Select the **Always show this window on top** check box to always display the Disclosure Audit window on top of all other Encompass windows.

9 Repeat steps 6-7 to correct any remaining issues.

10 Click **Order eDisclosures**.

- A message displays if no packages are available based on the selection process configured by your administrator.

11 When the Select Documents window displays, the initial disclosures are listed in the order configured in the stacking template by your administrator.
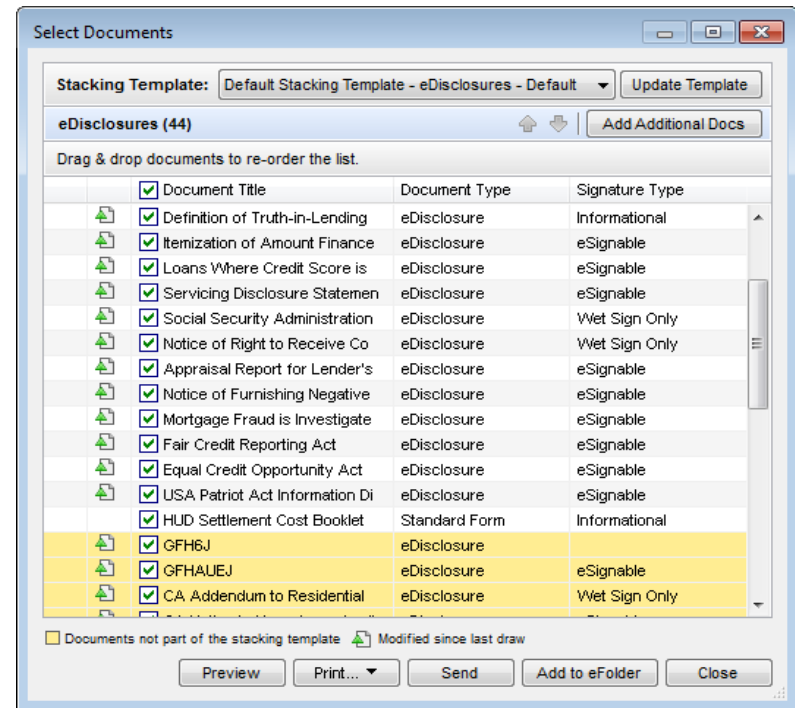
- Documents highlighted in yellow are documents that are not included in the stacking template, but are still intended to be sent in the eDisclosure package.
- When an eDisclosure document package has been ordered and is then redrawn, the list of returned documents on the Select Documents window displays a **Modified since last draw** icon next to each document that has changed since the initial order. Users can view the list to identify changed documents to print or send instead of printing or sending the entire package. Additionally, a **Removed since last draw** icon displays next to documents that were included in the initial draw, but are no longer required.
- To use a different template, select an option from the Stacking Template drop-down list.

- To move a document up or down in the list, click to select the document and then use the **up** or **down arrows** to move the document.
  - Or, click to select a document, and then drag it to the desired location in the list.
  - To update the selected template for all loans going forward, click the **Update Template** button, and then add, remove, or reorganize the documents as needed. For detailed instructions for updating the stacking template, view the *eDisclosure Stacking Templates* help topic.

  *NOTE: If your administrator has not given you permission to move documents up or down in the list or to update the template, the up and down arrows and the **Update Template** button will not be visible.*

12 Clear the check box of any document you do not want to include in the eDisclosure package.

  NOTE: The Signature Type column indicates whether a document is eSignable (can be signed electronically), Wet Sign Only (a paper copy must be signed and returned by mail or fax), or Informational (no signature required).

13 Click **Add Additional Docs** to select additional forms to add to the package.

  *NOTE: If your administrator has not given you permission to add or remove forms from the package, the selection check boxes and the **Add Additional Docs** button will not be visible.*

14 Address any Data Overflow alerts (if applicable).

  NOTE: Refer to the "Data Overflow Alerts" topic in the Encompass online help for information about these alerts.

15 To add one or more document to the Documents tab in the eFolder, select the documents, and then click **Add to eFolder**.

16 To preview or print the documents in the package:
  - Click **Preview** to view, and optionally print, the selected documents.
  - Click **Print**, and then click **Print Selected Documents** to print the selected documents.
  - Click **Print**, and then click **Print Checklist** to print an eDisclosure Documents Checklist that lists each document in the package for your reference.

17 Click **Send** to open the Send eDisclosures window.

To Send the eDisclosure Package:

1 On the Send eDisclosures window, select a **Borrower Signing Option**:
  - **eSign (electronically sign and return)** - Borrowers access the documents from a secure website and, after consenting to receive electronic disclosures, review the documents online, and then sign the documents electronically (known as eSigning). You receive an email notification that the signed

documents are available. Click the **Retrieve** button in the eFolder to retrieve the documents. If the eDisclosure package contains documents that can be eSigned and documents that must be wet signed, the eSign option is replaced with an **eSign + Wet Sign (for wet sign documents only)** option. Borrowers sign and return eSign documents electronically as described above, and print, sign, and return the wet sign documents as described below.

- **Wet Sign (print, sign, and fax)** - Borrowers retrieve the documents from a secure website, print, sign, and then return the documents by fax or by mail.

*TIP: If you select **eSign (electronically sign and return)** and the eDisclosure package contains custom forms that require a signature, be sure you have inserted eSigning signature points in the form.*

2 Select a **Borrower Authentication Method,** if applicable.

- **Answering security questions** - When selected, the borrower will need to correctly answer 4 out of 5 of the following questions related to the loan in order to access the documents:
  - What are the last 4 digits of your Social Security Number?
  - Which year were you born?
  - What is your Home Phone number?
  - What is your Cell Phone number?
  - Please type in your email address.
  - How many years have you been at your present property?
  - Please type in the Zip code of your present property address.
  - Please type in the Zip code of the subject property address.
  - What is the subject property county?
  - What is the property type of the subject property?
  - What is your current Marital Status?
  - How many dependents do you have?
  - Please type in the Zip code of your current employer.
  - How many years have you been employed at your current job?
  - Please select the purchase price of the subject property.
  - Is the name of your Mortgage Broker/Lender [Company Name]?
  - What is the purpose of loan?

  NOTE: If the borrower fails to correctly answer 4 out of the 5 questions three times, the borrower will not be able to eSign the documents. The system automatically removes the eSigning signature points from the documents and informs the borrower that the documents must be printed, signed, and then returned by fax or by mail.

- **Authorization Code** - Type the authorization code that the borrower and co-borrower will use to access the documents.

  NOTE: Be sure to provide the authorization code to the borrowers. It is not automatically sent to them and it is different than the log in password the borrower creates to log in to the secure website to access the documents. The borrowers have five chances to enter the correct authorization code. If they fail to do so, they will not be able to eSign the documents. After the fifth attempt, the system automatically removes the eSigning signature points from the documents and informs the borrower that the documents must be printed, wet signed, and then returned by fax or by mail.

3 Select the Sender type. You can choose from the following:

- Current User
- File Starter
- Loan Officer

4 Select or clear the check boxes to send the emails to the various recipients as needed.The **Name** and **Email** fields are populated based on your selection. If no name or email is listed in the File Contacts tool for the Encompass user associated with the option selected, the fields are blank and editable. Data entered in a blank field is then saved back to the File Contacts tool.

*NOTE: For Wet Sign packages, additional recipients can be added as needed by clicking the **Add** icon at the upper right of the Recipient section.*

5 In the Subject field, select an email template as needed.

- Templates control the email content and formatting. Your Encompass administrator creates the templates in the HTML Email Templates setting.

6 Click the **Notify Additional Users** button to send notifications to additional Encompass users.

To Add Users Who Are Loan Team Members:

1 Click the **Find** icon (magnifying glass) in the **Add users to be notified** section.

2 Select a user from the list and click **OK**.

3 Enter a **Notify User Through** date (after the selected date, the user will no longer receive notifications) and then click **Add**.

To Add Users Who Are Not Loan Team Members:

1 Enter an address in the Email Address field.

2 Enter a Notify Through date (after the selected date, the user will no longer receive notifications), and then click **Add**.

7 Select the **Notify me when borrower receives the package** check box to receive an email notification and an Encompass notification when the borrower accesses the package on the Loan Center, WebCenter, or Encompass Consumer Connect.

8 To be notified if the borrower does not accept the loan by a specified date, select the **Notify me when the borrower does not accept by** check box, and then click the **Calendar** icon to set the date. If your company has enabled the eDisclosure Fulfillment service, select the check box at the top of the Fulfillment section to schedule the service for the package.

9 Enter your phone number and the phone number of the recipient. The remaining information in the section will be copied from the loan file.

10 When finished, click **Send**.

- An email containing a link to the Loan Center (or Encompass Consumer Connect or WebCenter) website is sent. The email recipients create their own login information, log in to the Loan Center (or Encompass Consumer Connect or WebCenter), and then view the data on the website.

  NOTE: *If you previously sent an eDisclosure package and no loan data has changed, a message asks you to confirm that the same eDisclosure package will be sent again. If changes to the loan data have triggered a new condition, a new eDisclosure package is sent and a message does not display.*

11 If you are the loan originator and the eDisclosure package includes one or more forms that require the originator's electronic signature, a message asks you to add your electronic signature to the forms before sending the eDisclosure package.

- Click **Yes** to access a secure website and electronically sign the documents before sending the eDisclosure package.

- Click **No** to electronically sign the documents later.

- If you are the loan originator and you select **Yes** or **No**, you will receive an email with a link to a secure website where you can access the documents and electronically sign them if needed.

  NOTE: *For loans where the Subject Property is in South Carolina, the originator must electronically sign all required documents before Encompass will send the eDisclosure package to the borrower.*

12 If you are not the loan originator and the eDisclosure package includes one or more forms that require the originator's eSignature, a message informs you that an email will be sent to the loan originator with a link to a secure website where the loan originator can electronically sign the disclosures.

How Fulfillment Packages Are Triggered

The trigger mechanism for mailing a manual fulfillment package is different for eSign packages and Wet Sign packages.

- **eSign packages** – With the eSign process, borrowers access electronic copies of documents via a secure website and sign them electronically. On the Scheduled Fulfillment Date, a fulfillment package is mailed unless all borrowers have accepted the agreement to do business electronically. A fulfillment package is not mailed if all borrowers have accepted the agreement.

- **Wet Sign packages** – With the Wet Sign process, borrowers access documents via a secure website, and then print and physically sign the documents. On the Scheduled Fulfillment Date, a fulfillment package is mailed if neither borrower has accepted the agreement to do business electronically. A fulfillment package is not mailed if at least one of the borrowers has accepted the agreement.

Loans with Co-Borrowers or Multiple 1003s

- For loans with co-borrowers, a fulfillment package is mailed to the primary borrower by default.

- For loans with multiple 1003s:

  - Separate Wet Sign or eSign eDisclosure packages must be sent to each borrower pair when the eDisclosures are ordered.

  - If a fulfillment package is triggered for one of the borrower pairs, a fulfillment package is mailed to the primary borrower for that pair by default.

NOTE: Although fulfillment packages are mailed to the primary borrower by default, the Encompass user who requests the eDisclosure Fulfillment service can manually change the recipient during the eDisclosure process when ordering the eDisclosure fulfillment service.

eSign Converted to Wet Sign

An eSign package is converted to a Wet Sign package when a borrower or co-borrower fails the authentication process by not entering a correct eDisclosure password/authentication code or by not answering the security questions correctly. Currently Ellie Mae does not fulfill eSign disclosures that have been converted to Wet Sign disclosures.

Redisclosures

The rules listed above for eSign, Wet Sign, co-borrowers, multiple 1003s, and package conversions also apply to redisclosures using the eDisclosure Fulfillment service.

Loan Log Entry

An entry is added to the Loan Log each time you send initial disclosures. Click an **eDisclosures Ordered** entry to view a list of the documents included in the eDisclosure package.

To View Loan Log Entry:

1 On the Loan tab, click the **Log** tab on the Loan Log.

2 Click the **eDisclosures Ordered** entry.

Each document included in the eDisclosure package is listed. The results of the data audit are also displayed for your review.

You can click the **View** button to open the Select Documents window, where you can preview, print and manage the documents in the package.

Retrieve Documents and Settlement Services

Use the **Retrieve** button on the eFolder Documents tab to retrieve files that were sent to you by borrowers or settlement services. When a file is retrieved, it is automatically attached to the eFolder, and the Status is changed to **Received**.

To Retrieve Documents From Borrowers:

When a borrower returns documents to you, typically by fax or through the Loan Center, you will receive an email notification.

1. On the eFolder, click the **Documents** tab, and then click the **Retrieve** button.

   • Or, on the eFolder, click the **Preliminary Conditions** or **Underwriting Conditions** tab, and then click the **Retrieve Docs** button.

2. On the Retrieve window, in the Received from Borrower section, select the check box for one or more entries, and then click **Download**.

   *NOTE: Select the **Show previously downloaded items** check box to display faxed files that were previously deleted after having been retrieved and attached to documents.*

3. When the File Manager window opens, the downloaded files display in one of two locations:

   • If the Intelligent Document Recognition (IDR) technology in Encompass recognizes the file, it will be attached to the corresponding document in the Documents section of the File Manager.

   • If the file is not recognized, it will be listed in the Unassigned Files section with an Attachment icon to the left of the file name.

To Retrieve Settlement Services:

When a service provider sends a document through the Ellie Mae Network, the document status in the eFolder is changed to **Received** and an icon appears on the Services tab for the loan file to the right of the appropriate service listing.

1. On the eFolder, click the **Documents** tab, and then click the **Retrieve** button.

2. On the Retrieve window, in the **OR Retrieve from Services Providers** section, select a document from the list, and click **Retrieve**.

   • The File Manager window opens. The downloaded document is listed in the Unassigned section with an attachment icon to the left of the file name.

Manage Files

Use the File Manager to attach, assign, view, and print files that are associated with eFolder documents.

Attach and Assign Files

When files are first attached, they display in the Unassigned section of the File Manager. You can then assign files to a document in the Documents section of the File Manager. This allows you to easily track and manage files that are associated with documents. For example, if a borrower provides electronic copies of W-2 forms, you can browse to attach the forms, which display in the Unassigned section. You can then assign them to the W-2 entry in the Documents section.

Intelligent Document Recognition and Auto Assign

Encompass uses intelligent document recognition technology to classify files that are added to the eFolder via fax. Files that are sent to borrowers from within Encompass include bar codes that allow for easy recognition when the file is returned. When a file is recognized as a loan form or other documentation, it is added to the Unassigned section of the File Manager and given a name that matches the form. You can then use the Auto Assign button to automatically assign the file to the appropriate eFolder document.

NOTE: If a faxed file is not recognized, it is given a generic name such as 2 page fax - Page 1. To rename the file, select the file, click the file name, and then enter a new name.

To Access the File Manager:

• On the **Documents** tab, click the **File Manager** button.
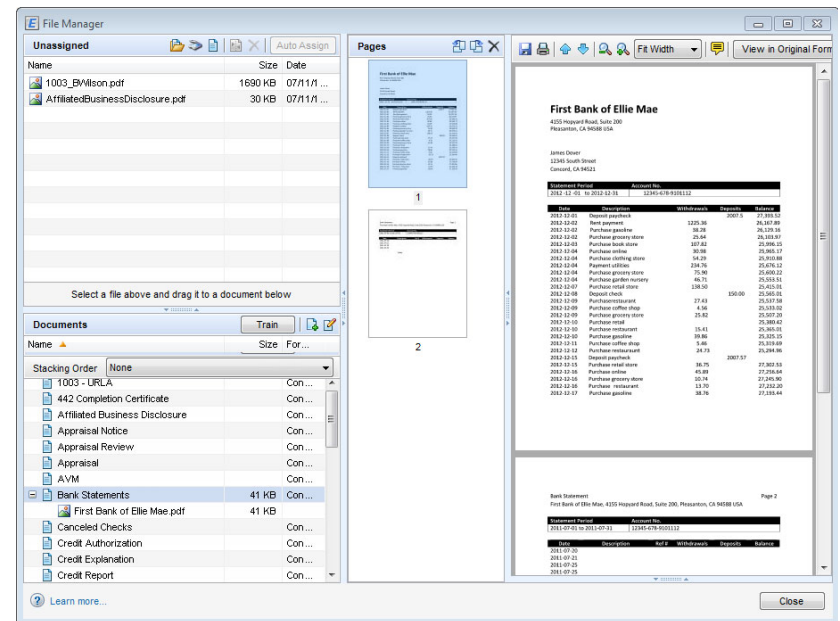
To Attach Files and Forms:

• To browse and attach, click the **Browse and Attach** icon in the Unassigned section, browse to select one or more files, and click **Open**.

   NOTE: The following file extensions are supported for Browse and Attach: .doc, .docx, .emf, .html, .jpeg, .jpg, .pdf, .tif, .txt, and .xps.

- To scan and attach, click the **Scan and Attach** icon in the Unassigned section, select a scanner from the list, and click **Scan**.

     NOTE: *To use the Scan and Attach feature, you must have a Twain-compliant scanner that is installed locally or on your network.*

- To add any standard Encompass form without having first ordered a service or requested a document from a borrower, click the **Attach Encompass Forms** icon in the Unassigned section, select one or more forms, and then click **Attach**.

     The document is added to the Unassigned section.

To Edit Native-Format Files:

1 Select a file, in the Unassigned section, and click the **Edit** icon above the viewing panel.

2 On the Edit File window, select one of more pages in the Pages panel.

3 To rotate the page clockwise 90 degrees, click the **Rotate Page** icon.

4 To change the position of the page in the file, click the **Up** or **Down** icon.

5 To delete a page, click the **Delete** icon.

6 When finished, click **Save**.

To Edit Image Files:

1 Select a file in the Unassigned section, and select one or more pages on the Pages panel.

2 To rotate the page clockwise 90 degrees, click the **Rotate Left** or **Rotate Right** icon at the top of the Pages panel.

3 To change the position of the page in the file, drag and drop it to a new location.

4 To delete a page, click the Delete icon at the top of the Pages panel.

5 When finished, click **Save**.

To Merge Files:

1 To automatically combine multiple files into one file, select two or more files in the Unassigned section.

     - Or drag the files from the documents section into the Unassigned Files section and then select them.

2 Click the **Merge** icon.
     - If the image conversion feature is enabled, the merged document is converted to a image file, even if one or more of the files being merge is in native format.
     - If the image conversion feature is disabled, the merged document is converted to a image file only if all the files being merge are image files. Otherwise, the merged file is created as a PDF file.

To Split Native-Format Files:

1 To split a multi-page file into multiple files, select the file in the Unassigned section.

     - Or drag the file from the Documents section into the Unassigned Files section and then select it.

2 Click the **Split** icon at the top of the Unassigned section.

3 In the Split File window, drag one or more page files from the Original File section to the Documents section, and drop it on the document to which you want it assigned.

     - Pages that remain in the Original files section will not be split. When you complete the splitting process, the remaining pages will display in the Unassigned section of the File Manager as a single file.

4 To rearrange pages in the Original File section or New File section in the Split File window, select a page and click the **Up** or **Down** arrows.

5 To delete pages, select one or more pages and click the Delete icon.

6 When finished, click the **Split** button.

To Split Image Files:

1 Select a file in the Unassigned section.

     - Or select a file that is currently attached to a document in the Documents section.

2 In the Pages panel, select one or more pages, and then drag and drop them to the Unassigned section.

     - Or, drag and drop the pages to a document in the Documents section.

3 When the Create File window opens, enter a name for the file, and then click **Add**.

     - The pages are removed from the Pages panel and assigned to the other document as a new file.

     - If all pages are removed from a file, the file will be deleted.

To Add Notes to an Native-Format File

1 Select a file in the Unassigned or Documents section, and then click the **Add notes** icon above the viewing panel.

2 If the file is protected, click **Yes** when the confirmation message appears.

3 When the Add Notes window opens, click the location in the file where you want to add a note.

4 Enter a note in the Comments field, and then click **Add**.

- The page number, user, date, time, and comment for each note displays in the Notes panel on the left.

5 When finished, click **Save**.

6 Hover your cursor over the **Note** icon to view the content.

NOTE: Notes added to a native format file are included in the file when it is saved as a PDF file or sent to a borrower, lender, or partner via the eFolder. If you do not want notes included, delete them before saving a file as a PDF file or sending via the eFolder.

To Add Notes to an Image File

1 Select a file in the Unassigned or Documents section, and then select a page on the Pages panel.

2 Click the **Add notes** icon above the viewing panel.

3 If the file is protected, click **Yes** when the confirmation message appears.

4 Select one of three Visibility options on the Add Note window to configure who can view the note and whether the note is included in files that are printed or sent electronically to non-Encompass users:

- **Personal** - Visible only to the user who added the comment. Not included in printed or sent files.

- **Internal** - Visible only to Encompass users with permission to view annotations. Not included in printed or sent files. This is the default option.

- **Public** - Visible to all viewers and included in printed and sent documents.

NOTE: The color of the graphic image for a note varies depending on the Visibility option selected: red icon for Personal; yellow icon for Internal; and green icon for Public. A user can change the Visibility option for an existing note by right-clicking the graphic for a note, pointing to Visibility, and then clicking an option.

5 Click the location in the viewing panel where you want to add the note.

6 When the Add Notes window opens, enter a note in the contents field, and then click **Add**.

7 When finished, click **Save**.

NOTE: Administrators can use the Document Export Template setting to configure whether notes are included in a file when it is saved as a PDF file or sent to a borrower, lender, or partner via the eFolder.

8 To view the content, hover your cursor over the **Note** icon.

9 To move the note to a different location in the file, drag and drop the **Note** icon to the new location.

10 Click the toggle arrows at the bottom of the viewing panel to expand and collapse a list with the creator, date, time, and page number for all notes in the file, and then click an entry to jump to the page containing the note.

11 In the toggle window, use the Up and Down arrows to move from one note to another.

To Assign and Unassign Native Format Files:

1 In the File Manager, select a file in the Unassigned section.

- Or select a file attached to a document in the documents section.

2 Drag and drop the file to a document on the Documents section.

*NOTE: If a window opens and asks you to provide a name for the file, enter a name in the field, and then click **OK**.*

- Or, click the **Auto Assign** button to automatically assign the files. If the files were returned via fax and the intelligent document recognition feature recognizes the file, the files will be assigned to the appropriate entry in the Document section.

NOTE: A plus (+) sign appears to the left of a document that has files assigned to it. Click the plus sign to view the associated file.

3 To unassign a file, drag the file from the Documents section into the Unassigned section.

To Assign and Unassign Image Files:

- Drag a file from the Unassigned section (or drag a page thumbnail image from the Pages section) into the Documents section, and drop it on the Encompass document to which you want it assigned.

*NOTE: If a window opens and asks you to provide a name for the file, enter a name in the field, and then click **OK**.*

- Or, select one or more files and then click the **Auto Assign** button to automatically assign files. If the file was returned via fax and the intelligent document recognition feature recognizes the file, the file will be assigned to the appropriate entry in the Document section.

NOTE: A plus (+) sign appears to the left of a document that has files assigned to it. Click the plus sign to view the associated file.

- To unassign a file, drag the file from the Documents section into the Unassigned section.

NOTE: If all the pages in an unassigned file are assigned to a document, the file will be deleted from the Unassigned list.

Recommend Training for a File

Use the **Train** button to suggest that a file be automatically assigned to a specified document when the file is added to the File Manager. The suggestion is sent to the Encompass administrator (or another assigned approver) for review.
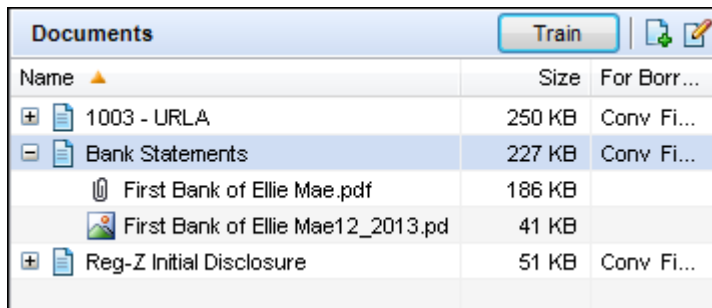
After a file has been approved for training:

• When the file is imported into the eFolder via fax, the file is automatically attached to the specified document.

• When a document is imported using the **Browse and Attach** or **Scan and Attach** icon, the file can be attached to the specified document by clicking the **Auto Assign** button in the File Manager.

*NOTE: Personas are granted permission to make suggestions in the Personas setting by selecting the **Suggestor** check box in the Unassigned Files (File Manager) section on the eFolder tab.*

To Recommend Training for a File:

1 Drag the file from the Unassigned section to the Documents section, and then drop it on the document to which you want it assigned.

2 In the Documents section, select the document, and then click the **Train** button.

3 On the Suggest Attachments For Training window, select the check box for the file or files that you want to automatically assigned to the document.
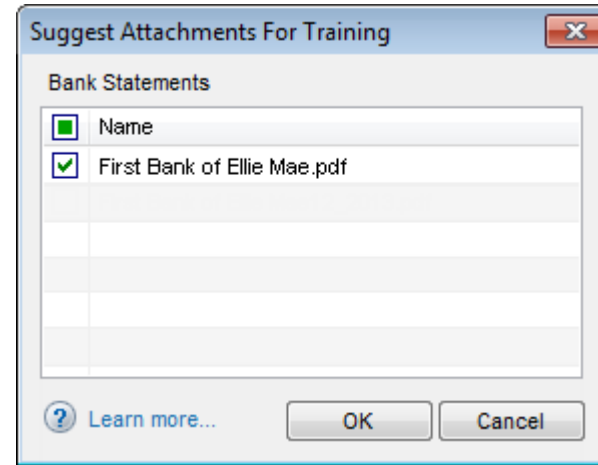
4 Click **OK**, and then click **OK** again when the confirmation message displays.

To Add Documents to the Documents Section:

Use this option to assign a file to an Encompass document that is not listed in the Documents section.

1 In the Documents section, click the **New** icon.

2 Select the option to **Add a new document** or **Add documents from Document Sets**.

• To complete the steps to add a new document, refer to step 3 in "To Add a New Document:" on page 138.

• To add a document from a document set, select a document set, click **Select**, and then refer to step 3 in "To Add Documents from Document Sets:" on page 137.

To Apply a Stacking Order to the Documents:

• In the Documents section, select a stacking order from the drop-down list to apply the stacking order to the documents.

NOTE: The stacking order templates are configured by your Encompass administrator in the Document Stacking Order Templates setting (in the eFolder Setup setting).

To View Files:

- On the Unassigned or Documents section, select a file or a document with an assigned file to view the files in the viewing panel.

  NOTE: All the assigned files display on the viewing panel. Multiple files appear in the viewing window as separate pages.

- If the administrator has configured Encompass to save copies of files in their original file format, select the file and click the **View in Original Format** button to view the file in its original format.

Rotate Pages in Native-Format Files:

1 Select a file in the Unassigned or Documents section.

2 Click the Rotate icon at the top of the viewing panel to rotate the page clockwise.

Rotate Pages in Image Files:

1 Select a file in the Unassigned or Documents section.

2 Select one or more pages in the Pages column.

3 Click the Rotate Left or Rotate Right icon at the top of the Pages column.

To Convert Native-Format Files to Image Files:

- To convert a native-format file into an image file, select one or more files and then click the **Convert** button.

*NOTE: The **Convert** button is visible to a persona only if your administrator has selected the Document Conversion setting in the eFolder Setup setting. The administrator must also select the **Edit File** check box for Unprotected Documents, Protected Documents, or Unassigned Files (File Manager) on the eFolder tab in the Personas setting.*

Change the Access Rights for a Document

Use the Document Access icon on the eFolder to control access to an eFolder document by role. You can grant access to roles that do not currently have access and, if a document is not protected for a role, you can also revoke access to the document for the role.

NOTE: Default access for eFolder documents is set by the administrator in the Role Document Access settings, where the administrator can also specify roles that have protected access to documents. When access to a document is protected for a role, access cannot be revoked for the role.

To Change Access Rights:

1 Select one or more documents.

2 Click the **Document Access** icon.
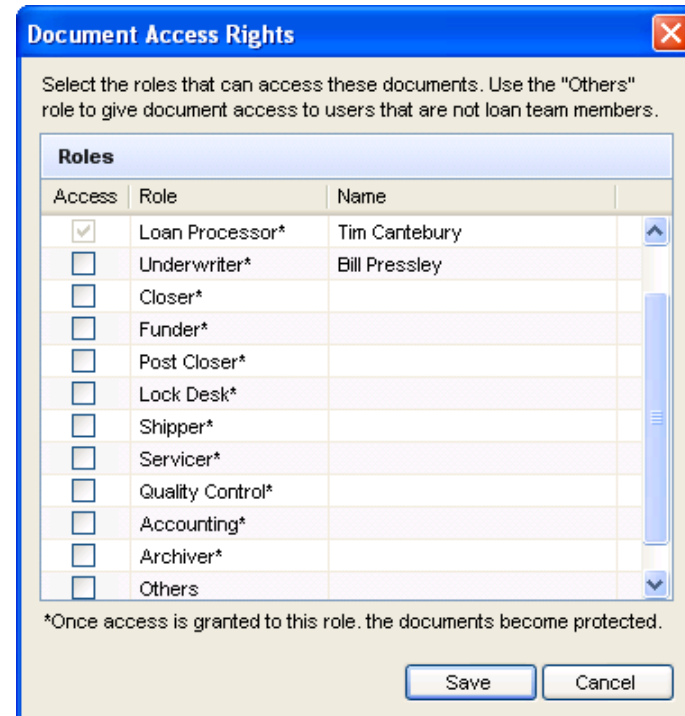
3 On the **Document Access Rights** window, select or clear the check box for a role to grant or revoke access for the documents.

- Select the **Others** check box to grant access to users who are not loan team members.

  NOTE: If a role has been given protected access, the check box is inactive and you will not be able to change the rights for that role.

4 Click **Save**.

Send Documents

Use the Send button to send completed eFolder documents (documents with file attachments) to a borrower or partner. The borrower or partner receives an email with a link to a secure Loan Center, WebCenter, or Encompass Consumer Connect website where they can download the documents.

You can also use the Send button to print, preview, or save the documents and the Save Document As feature enables you to save documents directly from the eFolder Documents tab.

To Send Files:

1 On the eFolder, click the **Documents** tab, click the **Send** button, and then click **Send Files**.

2 When the Select Documents window opens, select a Stacking Order if needed, and select one or more files to send.
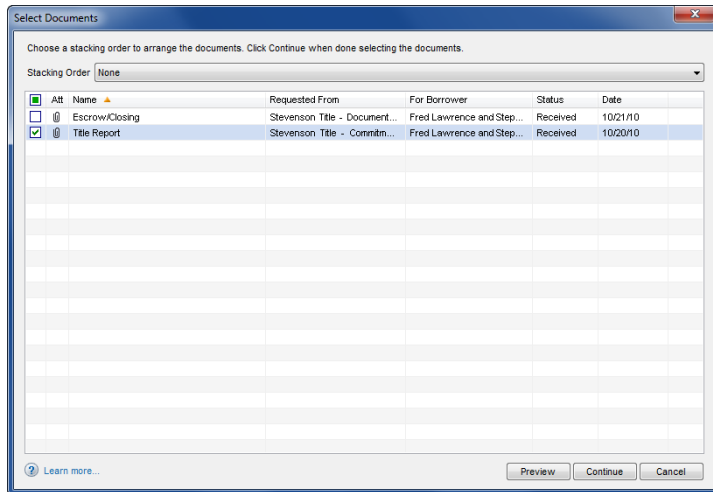
NOTE: The stacking order controls the order in which documents display on the Send Documents window and on the Loan Center, Encompass Consumer Connect, or WebCenter. To change the document order, select a different stacking order from the list. Stacking orders are maintained by the administrator in the Document Stacking Templates setting. When a stacking order is applied, a visual indicator denotes the status of the documents and their file attachments. When a document in the stacking order does not have a file attachment, the document is highlighted in pink when a file attachment is required and in yellow when a file attachment is optional. Documents are not highlighted when they have files attached.

3 Click the **Update Template** button to open and edit the Stacking Order template if needed.

NOTE: This button is visible only for user who have access to the Document Stacking Template setting. When you click the button, a pop-up message states that you are about to update the company-wide document stacking template configured by the administrator. You have the option to continue or cancel the update. If the template is updated, an entry is added to the Encompass log recording the date and your user ID.

4 Click **Continue** or click **Preview** to preview the files.

NOTE: When a Stacking Order is applied and one of the required documents does not have a file attached, the Continue and Preview buttons are disabled, and you will not be able to continue past this window.

5 When the Send window opens, type one or more email addresses in the **Mail to** field.

• Or click the **Find** icon to select a borrower contact

6 Select the **Notify me when the recipient has received the message** check box to request an electronic verification when a recipient opens the email.

7 Change the Subject text and enter or edit a message, if needed.

• Or select a template from the Subject drop-down list to populate the text message with a preconfigured template.

8 When finished, click **Send**.

The email is sent. Typically, the email will contain a link to a Loan Center, WebCenter, or Encompass Consumer Connect website. The email recipients create their own login information, log in to the website, and then view the documents on the website.

• **WebCenter users only**: By default, in order to retrieve documents, borrowers are required to log in to the WebCenter site belonging to the Encompass user who sends the documents to them. If multiple Encompass users send documents, the borrower will be required to create log in accounts for each WebCenter site in order to retrieve the documents.

• Your administrator can use the WebCenter Configuration setting to enable borrowers to use the same WebCenter site to retrieve, send and return documents regardless of who sends the documents. Borrowers can then create and use just one log in account to manage their documents.

NOTE: For a native format file, notes are included in the file when it is sent via the eFolder. If you do not want notes included, delete them before sending files via the eFolder. For image files, only notes that have been created as Public notes are included when the file is sent.

To Preview or Print Files:

1 On the eFolder, select the **Documents** tab.

2 Select the documents to print in the Documents list, and then click the **Print** icon.

3 Select a printing option, and then click **OK**.

To Print Attached Files:

Use this option to print the attached documents.

1 On the Select Documents window, select a Stacking Order if needed.

NOTE: Stacking orders control the order in which documents display on the Send Documents window, and on the Loan Center, Encompass Consumer Connect or WebCenter. To change the document order, select a different Stacking Order from the list. Document stacking orders are maintained by the administrator in the Encompass Settings.

2 Select the check box for one or more documents:

NOTE:Stacking orders control the option to select the check box for individual documents in a document stacking template when you print. If this option has not been enabled by your administrator, all of the documents in the stacking order template will print, even if you have cleared a check box.

- Click **Preview** to preview the documents.
- Click **Print**, select your printing options on the Print window, and then click **OK** to print the documents.

To Print Document Details:

Use this option to print only the document details, including the associated loan number, days to receive the document, and the date it was requested.

1 On the Preview window, click the **Print** icon to print the document details page.

2 Select your printing options on the Print window, and then click **OK**.

To Save Files:

1 On the eFolder, select one or more documents, and then right-click one of the documents.

2 Select **Save Document As** from the right-click menu.

3 In the Select Documents window, select a Stacking Order if needed:

NOTE: The stacking order controls the order in which files are included in the PDF file that is created when you save the files. To change the document order, select a different stacking order from the list. Stacking orders are maintained by the administrator in the Document stacking templates setting.

4 Select the check box for one or more documents:

NOTE: Stacking orders control the option to select the check box for individual documents in a document stacking template when you save. If this option has not been enabled by your administrator, all of the documents in the stacking order template will save, even if you have cleared a check box.

- Click **Continue**, browse to the location where you want to save the files, enter a file name, and then click **Save**. All the selected documents will be saved to a single PDF file.

- Click **Cancel** to close the window without saving the documents.

Send Files to a Lender

Use the Send Files to Lender feature to submit loans to your lenders and investors from the eFolder.

To Submit a Loan from the eFolder:

1 On the eFolder, click the **Documents** tab, and then click the **Send** button.

2 Click **Send Files to Lender**.

3 On the EDM Lenders window, select a lender or investor from the list, and then click **Submit**.

4 When the Select Documents window opens, select a Stacking Order if needed, and select one or more completed documents to include in the submission package.

NOTE: Stacking orders control the order in which documents display on the Send Documents window, and on the Loan Center, Encompass Consumer Connect or WebCenter. To change the document order, select a different Stacking Order from the list. Document stacking orders are maintained by the administrator in Encompass Settings. When a stacking order is applied, a visual indicator denotes the status of the documents and their file attachments. When a document in the stacking order does not have a file attachment, the document is highlighted in pink when a file attachment is required and in yellow when a file attachment is optional. Documents are not highlighted when they have files attached.

5 Click the **Update Templates** button to open and edit the Stacking Order template if needed.

NOTE: This button is visible only for user who have access to the Document Stacking Template setting. When you click the button, a pop-up message states that you are about to update the company-wide document stacking template configured by the administrator. You have the option to continue or cancel the update. If the template is updated, an entry is added to the Encompass log recording the date and your user ID.

6 Click **Continue**, or click **Preview** to preview the files.

NOTE: When a Stacking Order is applied and one of the required documents does not have a file attached, the Continue and Preview buttons are disabled, and you will not be able to continue past this window.

7 If the Image Upload Information window opens, complete the information on the screen, click **Continue**, and follow the instruction provided by the investor.

8 If the Submit to Lender window opens, review and edit the information as needed, and then click **Submit**.

NOTE: For a native format file, notes are included in the file when it is sent via the eFolder. If you do not want notes included, delete them before sending files via the eFolder. For image files, only notes that have been created as Public notes are included when the file is sent.

Archive and Retrieve Loan Documents

You can archive loan documents from the eFolder, and then retrieve them from the EDM Archive website.

NOTE: Only the system administrator can retrieve archived documents.

To Archive Loan Documents:

1 On the menu bar at the top of the eFolder, click **Documents**, and then click **Archive eFolder Documents**.
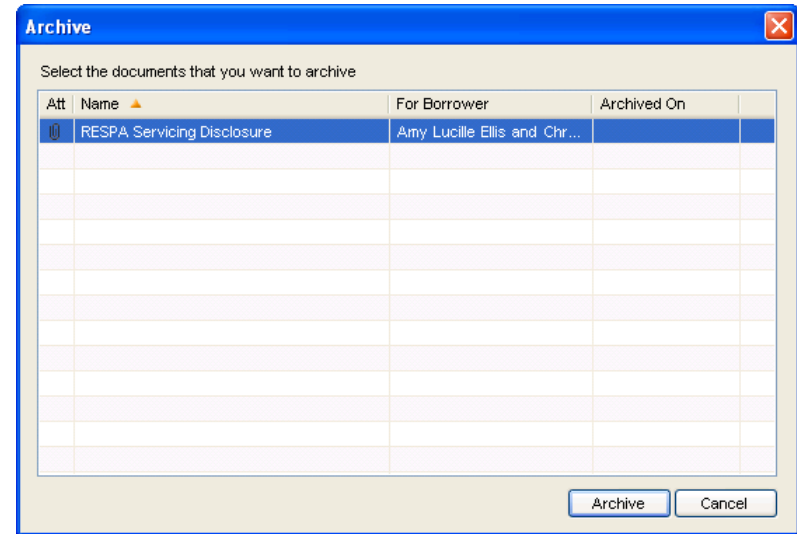
2 On the Archive window, select the documents to archive, and then click **Archive**.

NOTE: You can re-archive previously archived documents if needed.

To Sign In to the EDM Web Page:

1 Open an Internet session and enter archive.elliemae.com in the Address bar.

2 Sign in to the EDM Archive Web page.

• In the **Client ID** field, enter your company's client ID.

*NOTE: If you do not know your Client ID, click **Help** on the menu bar, and then click **About Encompass**.*

• In the **Password** field, enter your company's Admin user password.

• Click **Sign In**.

To Locate Archived Loans:

1 Click **Prev 20** and **Next 20** to move through the list of archived loans.

2 Search by loan number or borrower last name. The loan number or borrower last name must exactly match the value you are searching for.

• Click **All Archived Loans** to redisplay the entire list.

To Open Archived Documents:

1 Click a loan entry from the list of archived loans.

2 Click a document to open it in the document viewer.

3 Use the options on the viewer's toolbar to Save, Email, and Print the document.

The Conditions Tabs

Use the Preliminary Conditions and Underwriting Conditions tabs on the eFolder to create, track, and clear conditions for a loan. You can associate electronic documents with each condition. You can also access the electronic files assigned to the documents, so that you can easily access and view related information as you track, manage, and clear the condition. A condition with associated documents will display a document icon in the Documents column. Associated documents with file attachments will display a document icon with a paper clip. Select a condition, and then click the **Edit** icon to open the Condition Details window for the document.

The conditions tabs that are visible will depend on the permissions the administrator has given your persona.

- **The Preliminary Conditions tab** is typically used by loan officers and loan processors to track and manage preliminary conditions such as the DU conditions.

- **The Underwriting Conditions tab** is typically used by underwriters to track and manage conditions that must be cleared before the loan is approved.

- **The Post-Closing Conditions tab** is typically used by shippers to track and manage trailing documents and any other outstanding conditions.

You can initiate the following activities from the conditions tabs:

- Create conditions
- Assign documents to conditions
- Request and retrieve documents
- Manage documents
- Import Fannie Mae conditions

Create Conditions

You can create conditions from scratch or you can add conditions from condition sets, which are predefined templates of underwriting and post-closing conditions created by your Encompass administrator. For underwriting and post-closing conditions, you can also import conditions created from other condition tabs.
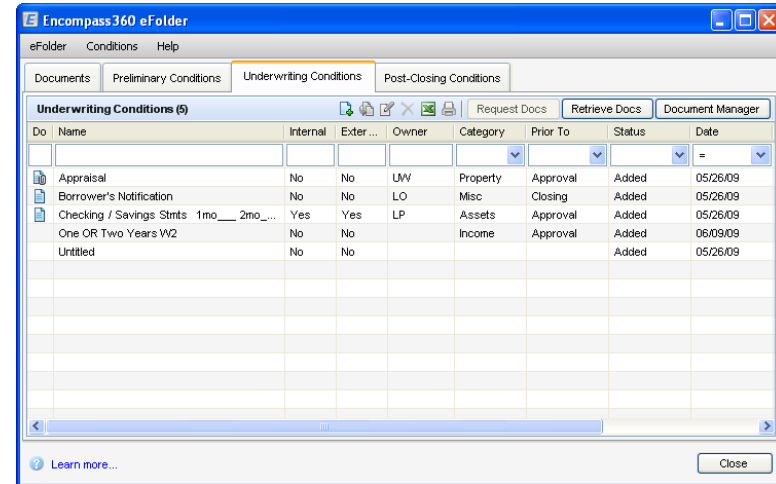
To Create Conditions:

NOTE: *You can select an existing condition template and edit it as required, or create a new condition from scratch.*

1 On the **eFolder**, click the **Preliminary Conditions**, **Underwriting Conditions**, or **Post-Closing Conditions** tab, and then click the **New** icon.

2 On the Add Condition window, select **Add a new condition**, **Add conditions from Condition Sets**, **Add conditions from AUS findings**, **Add conditions from Preliminary Conditions**, or **Add conditions from Underwriting Conditions**, then click **OK**, and then follow the procedure for the appropriate option.

To Add a New Condition:

1 In the Details section, select a Document from the **Name** list.

2 In the Description field, enter a description, which will display on the list on the condition tab.

3 Select a borrower from the **for Borrower Pair** list.

NOTE: The Source field is a read-only field that is populated only when you are importing AUS findings.

4 Complete the remaining information in the Details section, depending on the type of condition:

Preliminary Condition:

- If the condition has been imported from AUS findings, click **View More** to open a window that displays the AUS findings.
- In the **Category** field, select one of the six condition categories.
- In the **Prior to** field, select the milestones to describe when the condition must be satisfied.
- Select the check box to indicate that the underwriter can add this condition to the Underwriting Conditions tab.

Underwriting Condition:

- In the **Category** field, select one of the six condition categories.
- In the **Prior to** field, select the milestones to describe when the condition must be satisfied.
- Select an **Owner** and select the **Allowed to Clear** check box to allow the owner to clear the condition.
- Select the appropriate check boxes to indicate whether the document Name and Description will print on versions of the Conditional Approval Letter intended for internal or external use.

Post-Closing Condition:

- Select the **Source** who will supply information needed to clear the condition.
- Select the **Recipient** who will receive the information.

5 In the Tracking section, click the **Status** tab, select the appropriate check boxes, and then adjust the date and user name as necessary.

6 Enter the **Days to Receive**, and enter a name in the **Requested From** field.

NOTE: The Days to Receive field will be automatically populated if the Encompass administrator has configured this number in the Conditions setting.

7 To add notes, click the **Comments** tab, click the **New** icon, and then enter any comments in the Comments window.

8 To send an update alert to a specified user the next time the user accesses Encompass, select the **Send Update Alert** check box, and then select the user from the list.

9 Click **Close** to save the condition.

To Add Conditions From Condition Sets:

1 Select a condition set from the **Cond. Set** list.

2 Select a borrower from the **for Borrower Pair** list.

3 Select one or more documents from the left pane, and then click the **Add** button in the center of the window to add the documents to the right panel.

4 Select a document on the right panel and click **Remove** to delete it from the list.

5 To add documents from another condition set, repeat steps 2 through 4.

6 When finished, click the **Add** button on the lower-right.

To Add Conditions From AUS Findings:

- When the Import AUS Conditions window opens, select one or more conditions from the list, and then click **Import**.

*NOTE: This option is available only on the **Preliminary Conditions** tab.*

To Add Conditions From Preliminary Conditions:

• When the Import Preliminary Conditions window opens, select one or more conditions from the list, and then click **Add**.

*NOTE: This option is available only on the **Underwriting Conditions** tab.*

To Add Conditions From Underwriting Conditions:

• When the Import Underwriting Conditions window opens, select one or more conditions from the list, and then click **Add**.

*NOTE: This option is available only on the **Post-Closing Conditions** tab.*

To Add Automated Conditions:

NOTE: Access to this feature is determined by the user's persona.

1 Select **Add Automated Conditions**, and then click **OK**.

2 In the Import Automated Conditions window, select the check box for each condition you want to add, and then click **Add Selected**.

NOTE: The conditions listed here are determined by the administrator using the Automated Conditions business rule in Encompass Settings. All the conditions are selected by default. Clear the check box if you do not want to add a condition. If you attempt to add automated conditions on a tab where the loan criteria has not been met or the administrator has not configured an Automated Condition business rule, a There is no Automated Conditions Rule matched pop-up message displays.

Assigning Documents to Conditions

On the eFolder, you can assign a document to a condition from the Condition Details window or from the Document Manager. You can assign multiple documents to a condition. When you assign documents to a condition, the documents and their associate files can also be access from the condition. After you assign a document to a condition, you can remove the document from the condition at any time.

NOTE: When you assign a document, you will only be able to select documents to which you have been granted access. Access is granted by the administrator in the settings, or by a loan team member using the Document Access icon on the eFolder Documents tab.

To Assign a Document from the Condition Details Window:

1 Click the **Preliminary Conditions**, **Underwriting Conditions**, or **Post-Closing Conditions** tab.

2 Select a condition on the list, and then click the **Edit** icon to open the condition details window.

3 In the Supporting Documents section, click the **New** icon to assign a supporting document to the condition.

4 When the Assign Documents window opens, select a document from the list and click **Assign**.

• The document displays on the Supporting Documents list on the condition detail window.

To Assign a Document from the Document Manager:

1 Click the **Preliminary Conditions**, **Underwriting Conditions**, or **Post-Closing Conditions** tab, and then click the **Document Manager** button.

2 Drag a document from the Documents section and drop it on a a condition in the Conditions section.

Requesting and Receiving Documents

Click the **Request Docs** or **Retrieve Docs** button on the eFolder condition tabs to request or retrieve documents from borrowers. For detailed instructions, refer to "Request Documents and Settlement Services" on page 142 and "Retrieve Documents and Settlement Services" on page 147.

Importing Fannie Mae Conditions

When you submit a loan to Fannie Mae, the findings are automatically added to the loan file. You can also import selected conditions to the eFolder. For detailed information on submitting a loan to Fannie Mae, refer to "Submitting a Loan to a GSE" on page 129.

To Import Conditions from the Fannie Mae Findings window:

1 On the Fannie Mae Findings window (Preliminary, Interim, or Final), click **Import Conditions**.

2 On the Codified Findings Import window, select the conditions you want to import, and then click **Import**.

The conditions are imported to the **Preliminary Conditions** tab on the eFolder.

To Import Conditions from the eFolder:

1 Click the **Preliminary Conditions** tab and then click the **New** icon.

2 Select the **Add conditions from AUS findings** option.

3 When the Import AUS Conditions window opens, select one or more conditions from the list, and then click **Import**.

To View the Imported Conditions:

1 Open the loan file, click the **eFolder** icon on the upper-right.

2 Click the **Preliminary Conditions** tab, and then double-click a condition.

Document Manager

The Document Manager, which is accessible from the Documents tab and the condition tabs, provides a convenient location where you can:

- View and edit multiple eFolder documents and their assigned file attachments from a single window.
- View a condition, its assigned documents, and the files assigned to those documents.
- Assign eFolder documents to conditions. You can assign multiple documents to a condition to easily locate and view all the supporting documents and files that are relevant to the condition.
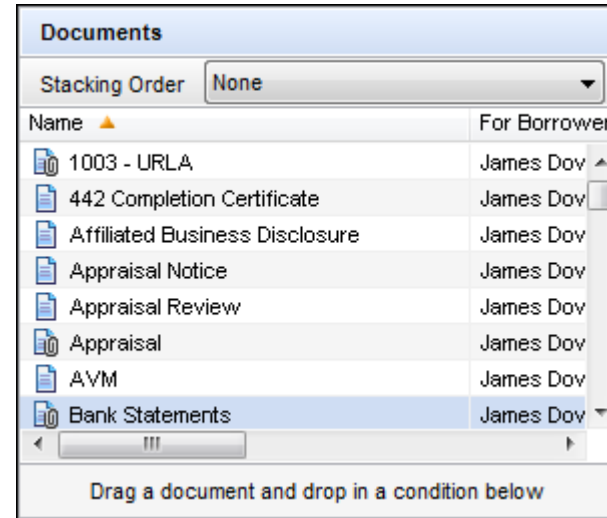
The Documents Manager includes four sections.

- Documents
- Conditions
- Upper right panel with tabs
- Viewing panel
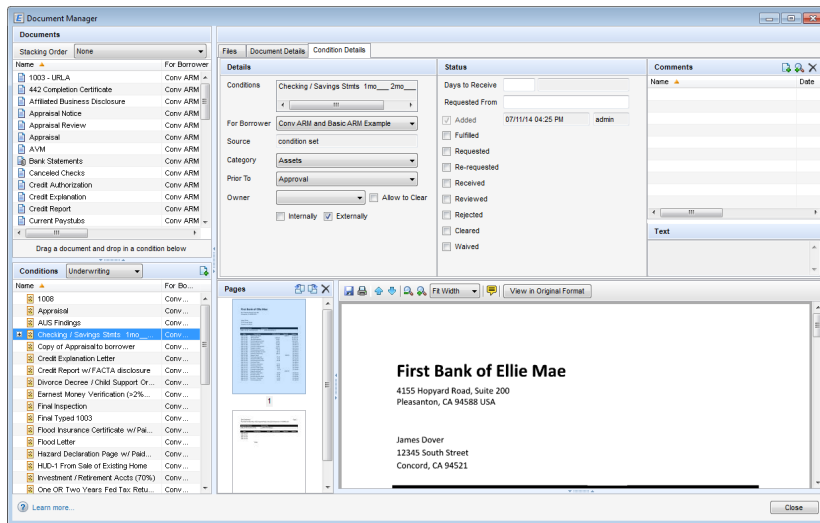
Documents Section

The Documents section lists all the eFolder documents you can access from the eFolder Documents tab.

NOTE: If a file is assigned to a document, a paper clip displays next to the document icon on the list.

Conditions Section

The Conditions section lists all eFolder conditions on the eFolder condition tab (Preliminary, Underwriting, or Post-closing) that is selected from the drop-down list at the top of this section. If the Document Manager is opened from the **Documents** tab, the underwriting conditions display by default.

NOTE: A plus(+) sign appears to the left of a condition that has documents assigned to it. Click the plus sign to view the associated documents.
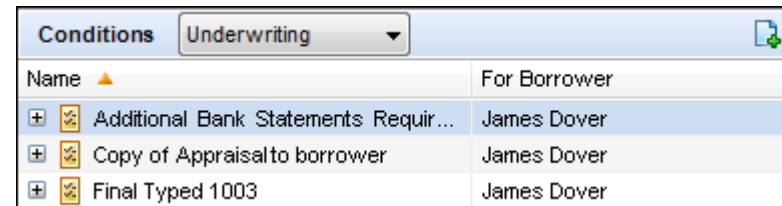
Top-Right Panel with Tabs

The panel on the upper-right can have up to three tabs:

• Condition Details

• Document Details

• Files

Condition Details Tab

This tab displays when you select a condition in the Conditions section. The tab displays the condition name as well as the details, status, and comments information from the Condition Details window for the condition. You can edit fields and add comments. Changes are saved back to the Condition Details window.

Document Details Tab

This tab displays when you select a document in the Documents section, or when you select a condition in the Conditions section that has one or more documents assigned to it.

The tab lists the names of the documents pus the details, status, and comments information that identical on the Document Details windows for all the documents. For example, if all the selected documents were requested, but on different days,

the Requested check box would be selected in the Status section, but the date field would be empty. You can edit some of the field and add comments. Changes are saved back to all the Document Details windows for each document.

When a condition has only one document assigned to it, the Documents Details tab displays. The tab lists the name of the document and the details, status, and comments from the Document Details window for the document. You can edit some of the field and add comments. Changes are saved back to the Document Details window.

When a condition has multiple documents assigned to it, the Documents Details tab lists the names of the documents and the details, status, and comments that are identical on the Document Details windows for all the documents. For example, if all the selected documents were requested, but on different days, the Requested check box would be selected in the Status section, but the date field would be empty. If you have permission, you can edit some of the fields and add comments. Changes are saved back to all the Document Details windows for each document.

NOTE: If a user does not have rights to access a particular field or feature for one of the selected documents, the same level of restricted access is applied to all the documents selected in the Document Manager.

Files Tab

This tab displays when you select a document or condition with an assigned document that has a file assigned to it. The Files tab lists all the assigned files. Select a file from the list to view only the selected file in the viewing area.

Viewing Panel

The viewing panel on the lower-right enables you to view, print, annotate, and save the current version of file attachments assigned to the selected documents and conditions. The panel displays on the lower-right section of the Document Manager.

NOTE: If a file is assigned to a document on the list, a paper clip displays on the document icon.

To Access the Document Manager from the eFolder:

• On the **Documents**, **Preliminary Conditions**, **Underwriting Conditions**, or **Post-Closing Conditions** tab, click the **Document Manager** button on the upper-right.

- Or, on the **Documents** tab, select multiple documents, and then click the **Document Manager** button. The Document Manager opens with the documents selected.

To Assign Documents to Conditions:

- Drag a document from the Documents section into the Conditions section, and drop it on the condition to which you want it assigned.

*NOTE: A **plus(+)** sign appears to the left of a condition that has documents assigned to it. Click the plus sign to view the associated files.*

To View a Condition:

1. In the Conditions section, select a condition tab from the **Conditions** drop-down list to view the conditions that have been created on the selected tab.

2. Select a condition.

   - The Condition Details tab displays the condition name as well as the details, status, and comments from the Condition Details window for the condition. You can edit most of the field and add comments. Changes are saved back to the Condition Details window.

   - When a condition has one assigned document, the Documents Details tab displays. The tab lists the name of the document and the details, status, and comments from the Document Details window for the document. You can edit some of the field and add comments. Changes are saved back to the Document Details window.

   - When a condition has multiple assigned documents, the Documents Details tab lists the names of the documents and the details, status, and comments that are identical on the Document Details windows for all the documents. For example, if all the selected documents were requested, but on different days, the Requested check box would be selected in the Status section, but the date field would be empty. You can edit some of the field and add comments. Changes are saved back to all the Document Details windows for each document.

     NOTE: If a user does not have rights to access a particular field or feature for one of the selected documents, the same level of restricted access is applied to all the documents selected in the Document Manager.

3. When a condition has one or more assigned documents that have files assigned to them, all the files display in the viewing panel on the lower-right. Use the icons at the top of the viewing window to navigate between pages, zoom in or out, or rotate the document.

4. When a file is attached to the eFolder, it is converted to a PDF or image format. Click **View in Original Format** to open the document in its original file format.

To View and Edit Multiple Documents:

1. On the eFolder **Documents** tab, select multiple documents, and then click the **Document Manager** button.

   - Or, on the eFolder **Documents** tab, click the **Document Manager** button, and then select multiple documents from the documents section on the upper-left.

     - The **Documents Details** tab on the upper-right lists the names of the documents as well as details, status, and comments from the Document Details window that are identical for all the documents. For example, if all the selected documents were requested, but on different days, the Requested check box would be selected in the Status section, but the date field would be empty. You can edit some of the field and add comments. Changes are saved back to all the Document Details windows for each document.

       NOTE: If a user does not have rights to access a particular field or feature for one of the selected documents, the same level of restricted access is applied to all the documents selected in the Document Manager.

     - The **Files** tab displays on the upper-right when assigned documents have files assigned to them, the **Files** tab list all the assigned files. Select a file form the list to view only the selected file in the viewing area.

2. Select a Stacking Order from the drop-down list.

3. When documents have files assigned to them, all the files display in the viewing panel on the lower-right. Use the icons at the top of the viewing window to navigate between pages, zoom in or out, or rotate the document.

4. When a file is attached to the eFolder, it is converted to a PDF or image format. Click **View in Original Format** to open the document in its original file format.

To Add Comments:

1. Select one or more documents in the Documents section.

   - Or, select a condition in the Conditions section.

2. Click the **Add** icon in the Comments section, and then enter a comment in the Comment window.

3. Select the **Send Update Alert** to check box to set an alert, and then select a recipient from the list.

4. When finished, click **OK**.

NOTE: When multiple documents are selected, the comment is added to each of the selected documents.

To View Comments:

1. Select one or more documents in the Documents section.

- Or, select a condition in the Conditions section.

2   Select a comment in the Comments section, click the **View** icon to open the Comment window, and then click **Close** when finished.

To Delete Comments:

1   Select one or more documents in the Documents section.

- Or, select a condition in the Conditions section.

2   Select a comment, and then click the **Delete** Icon.

To Print Files:

- Select a condition or select one or more document from one of the left panels, and then click the **Print** icon at the top of the viewing window to print all the current versions of the files attachments associated with the condition or document.

To Save Files:

- Select a condition or document from one of the left panels, and then click the **Save** icon at the top of the viewing window to create and save a PDF containing all the current versions of the files attachments associated with the condition or document.

History Tab

The History tab in the eFolder provides a detailed history of all of the changes made to electronic files, documents, and conditions for a loan during the origination process. The tab includes the name and type (file, document, or condition) of the eFolder item; the name of the borrower associated with the file, document, or condition; a description, date, and time for the associated change; and the name of the Encompass user responsible for the change.

NOTE: *Events that occur while a loan file is open are not recorded in the History tab until after the loan file has been saved.*

Documents/Files/Conditions

The Documents/Files/Conditions panel displays a list of all the documents, files, and conditions in the eFolder for a loan file.
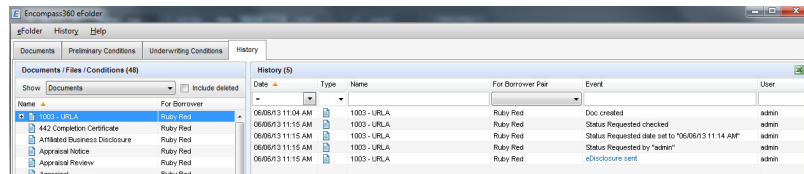
To View Documents, Conditions, or Files History:

1   In the Show list, select an option to view documents, conditions, or unassigned files.

2   Select the check box to include deleted items in the list.

- Alternately, click a column header to sort the entries in ascending or descending order based on the content in the column.

3   Select an entry in the panel to view its history.

- Or, select multiple entries to view the history for all the entries you have selected.

History

The History panel displays all the events associated with the entry or entries that you select in the Documents/Files/Conditions panel.

- Click the **Excel** icon on the upper-right to export the information from the History panel to a Microsoft Excel spreadsheet.

- Alternately, click a column header to sort the entries in ascending or descending order based on the content in the column.

- To filter your list, enter all or part of a search term in the field at the top of the Name or Event column, or select an option from the Date, Type, or for Borrower Pair drop-down list.

Export Loan Documents from the Pipeline

Use the eFolder Documents feature on the Pipeline to export the eFolder document files for one or more selected loans to your computer or a network folder in PDF file format. Your Encompass administrator uses the Document Export Templates setting to configure the options that are available for the export. When you export the documents, you can select the document export template to use.

NOTE: *You will only be able to export the documents for a loan if file attachments are assigned to all of the eFolder documents that require attachments. Administrators configure the documents that require attachments in the Document Stacking Templates setting. When you export the documents, a list will display, highlighting any documents that do not have the required files. Open the eFolder to assign files to these documents.*

To Export eFolder Documents:

1   Click the **Pipeline** tab.

- To export all of the loans in your Pipeline view, right-click on the Pipeline, point to **eFolder Documents**, point to **Export Document(s)**, and then click **All Loans on All Pages**.

- To export selected loans, select one or more loans, right-click the selected loans, point to **eFolder Documents**, point to **Export Document(s)**, and then click **Selected Loans Only**.

2   The Export Documents window displays information about the documents being exported, including whether an attachment is required or optional.

3   Select an option from the Export Template list to apply a document export template to the export process.

4   Click **Next**.

5   If a the document export template does not include a default export location, a Browse for Folder window displays. Browse to select a destination for the exported files, and then click **OK**.

6   The Export Audit Report window displays a list of documents with missing attachments.

- Documents with missing optional files are highlighted yellow.

- Documents with missing required files are highlighted pink.

NOTE: If required files are missing, you will not be able to export any of the documents for the loan. Open the eFolder and assign the required files to the document before exporting.

7   Click **Next**.

- The export files and a .txt log file are exported.

Chapter 9

Loan Management

This chapter describes the following processes involved in managing loans:

- Importing a loan
- Moving a loan
- Transferring a loan
- Deleting a loan

Importing a Loan

You can import one or more Calyx Point and Fannie Mae 3.x loan files directly into Encompass.

- If you import the same file more than once, a new loan file with a new loan number is created for each duplicate file.
- After you import a loan file, only the system administrator can delete it.

NOTE: Before importing loan files, make sure your system administrator has completed system setup tasks. These setup tasks include folders, organizations and users, milestones, log setup, custom fields, loan templates, tables and fees, and contact configuration.

To Import a Loan File:

1 From your Pipeline, click **Pipeline** on the menu bar, and then click **Import** to open the Import wizard.

2 On the Import window, select the type of files to import.
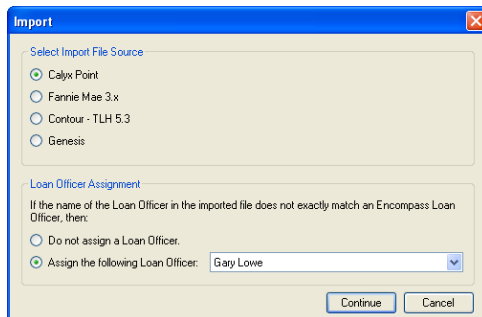
NOTE: The Loan Officer Assignment settings appear on this screen if your administrator has enabled the Auto Assignment of Loan Officers setting. You can select and automatically assign a user as the new loan officer whenever an imported file's loan officer does not exactly match an existing user's name.

3 Click **Continue**.

NOTE: If you import Fannie Mae files, the Import From Fannie Mae window opens, enabling you to select an Encompass Loan Template to apply to the imported file(s). When you select a loan template, data from the Fannie Mae file overwrites data from the loan template.

4 Select one or more files to import and the destination:

- Click **Browse** to locate the folder containing the files to import.
- For a Fannie Mae import, open the folders in the left panel to locate the files.
- Click a Client Type (if applicable).
- Select the files to import (or click **Select All**).
- From the Loan Folder list, click an Encompass folder to import the files into.
- For a Fannie Mae file import, click **Browse** to select an Encompass Loan Template to apply to the imported files.

  *NOTE: For a Fannie Mae file import, your ability to apply a loan template to the imported file may vary based on your administrator's settings. Using the Loan Template Sets setting, the administrator may require that a loan template be applied to the imported Fannie Mae file. The Import button will be disabled until you click **Browse** and select a template to apply. They may also require that a specific template be applied to the imported file. In this case, the name of the template is automatically populated to the Loan Template field and the Browse button is disabled.*

5 Click **Import**.

When the import is complete, a message indicates the number of files imported.

Assigning Imported Loans

When you import a loan file, Encompass tries to match the name of the file's existing loan officer with a designated loan officer.

If an exact match is found:

- The loan is assigned to the matching loan officer.
- A borrower contact is created with the loan officer as the contact owner.

If an exact match is not found:

If your administrator has **enabled** the Auto Assignment of Loan Officer setting in the Server Settings Manager:

- The loan is assigned to the loan officer you selected during the import process.
- A borrower contact is created with the newly assigned loan officer as the contact owner.

If your administrator has **disabled** the Auto Assignment of Loan Officer setting:

- The loan is not assigned to a loan officer, but the user who imported the file appears as the File Starter on the File Started and Qualification worksheets.
- A borrower contact is created with the importer as the contact owner.
- Your administrator can assign a user as the new loan officer and borrower contact owner. This ensures that the loan is assigned correctly and is tracked properly on the Dashboard and in Reports.

Moving a Loan to Another Folder

You can move loans to other folders so that they are removed from your active Pipeline view, but are easily accessible by changing the Pipeline folder selection. You can also move loans between folders so you can display the Dashboard and run reports for loans in a specified folder.

To Move a Loan to Another Folder:

1 On your Pipeline, select one or more loans to be moved.

2 Click the **Move to Folder** button.

3 On the Move Loans window, select a folder from the list, and then click **OK**.

4 Click **Yes** to confirm the moving of the loan.

If you are moving more than one loan, select the **Apply to all items check box** to confirm the movement of all the loans at once.

Transferring a Loan

Use the Transfer feature to securely transfer loan files via the Internet to the Loan Mailbox of another user in your organization. To transfer a loan, you must know the recipient's Client ID and User ID.

To Find a Client ID:

- On the menu bar, click **Help**, and then click **About Encompass**.

To Transfer Loans:

1 On your Pipeline, select one or more loans.

2 Click the **Transfer** button.

3 On the File Transfer window, enter the recipient's Client ID, User ID, a Subject, and a Message.

4 Click **Send**.

To Retrieve a Transferred Loan:

1 Click the **Loan Mailbox** link in the upper-right of your Pipeline.

2 Select **File Transfers** from the Message Type drop-down list.

3 Select a loan on the list.

4 On the message details window, click the link on the word **here** to import the loan file.

5 Select a folder to import the file to, and then click **Import**.

Deleting a Loan

The Administrator persona can delete loans from the Encompass database.

To Delete Loans:

When a loan is deleted, it is moved to the (Trash) folder.

1 Select one or more loans.

2 Click the **Delete** icon.

3 On the Delete window, click **Yes** to confirm deletion of the loan.

If you are deleting more than one loan, you can select **Apply to all items** so you do not have to confirm the deletion of every loan.

About the (Trash) Folder

The (Trash) folder is used to improve control and management of deleted loan files as described below.

- Loans in the (Trash) folder can be viewed but not changed. Access to the (Trash) folder is controlled at the User Group level.

- When a loan is deleted from a non-(Trash) folder, it is moved to the (Trash) folder. A server log entry is made to indicate the time and the user who deleted the loan.

- Only users who are authorized to do so (through their assigned persona), can permanently remove (or restore) a loan from the (Trash) folder.

- When a loan is deleted from the (Trash) folder, a server log entry is made to indicate the time and the user who permanently deleted the loan.

- When a loan is restored from the (Trash) folder, a server log entry is made to indicate the time and the user who restored the loan.

Chapter 10

Trade Management

The Trade Management solution supports three common approaches to managing trades. You can pool similar loans into loan trades and then send them out to investors for bids, you can create forward-looking loan trades and assign eligible loans as they come in, and you can bundle loan trades into a security trade.

Using Trade Management, you can:

- Create and manage bulk loan trades
- Create master contracts and then apply loan trades to the contracts
- Apply templates for investor information, SRP pricing, and adjustments based on loan criteria
- Search for eligible loans using simple and advanced searches
- Track trade status, profitability, and transaction history of Loan trades
- Create manage security trades
- Create and manage mortgage-backed security (MBS) pools
- Create and manage GSE commitments
- Create and manage Correspondent trades
- Create and manage Correspondent master contracts

The Trades Tab

The Trade Management features are located on the Trades tab, which includes seven modules.

- **Security Trades:** Use the Security Trades module to create, manage and track loans trades that are being grouped into security trades. You can enter security trade and dealer information, assign and unassign trades, edit pair-off details, lock and unlock trades, add notes, view the history of activities for a trade, and archive trades. Refer to "Creating and Working with Security Trades" on page 310 for more information.

- **Loan Search:** Use the Loan Search module to search for eligible loans to add to new or existing trades. You can quickly perform a simple search by selecting options from predefined filters, or create your own advanced criteria. You can save searches for future use, customize the view of search results, and export search results to a Microsoft Excel CSV file. Refer to "Step 1: Search for Eligible Loans" on page 299 for details.

- **Loan Trades:** Use the Trade Management module to create, manage, and track bulk loan trades. The module manages key trade data such as investor details, loans with pricing and adjustments, pair off fees, total gain/loss, and transaction history.

- **Master Contracts:** Use the Master Contracts module to manage contracts made with investors for the delivery of loan trades. The module tracks key information such as the amount of the contract, the number and value of the trades that have been applied, percent completion, and the total gain/loss. Refer to "Creating and Working with Master Contracts" on page 312 for more information.

- **MBS Pools:** Use the MBS Pools module to create, manage and track MBS pools. You can create Fannie Mae, Fannie Mae PE, Freddie Mac, and Ginnie Mae pools, allocate and unallocate multiple security trades (TBAs) to pools, import and assign loans to pools, manually input and assign loans to pools, add notes, view the history of activities for a pool, and archive pools. Refer to "Creating and Working with MBS Pools" on page 313 for more information.

- **GSE Commitments:** Use the GSE Commitments module to create, manage and track GSE commitments. You can allocate and deallocate multiple Fannie Mae PE MBS pools with multiple guaranty fees to commitments, manage multiple products, manage multiple Buy Up and Buy Down grids by product, add notes, view the history of activities for a commitment, and archive commitments. Refer to "Creating and Working with MBS Pools" on page 313 for more information. Refer to "Creating and Managing GSE Commitments" on page 325 for more information.

- **Correspondent Trades** - Use the Correspondent Trades module to create, manage and track correspondent trades. In addition, you can also create, manage, and track open Assignment of Trades (AOTs). The module manages key trade data such as loans with pricing and adjustments, pair off fees, total gain/loss, and transaction history. Refer to "Creating and Managing Correspondent Trades" on page 330 for more information.

- **Correspondent Masters** - Use the Correspondent Masters module to manage commitments made with correspondent sellers for the delivery of correspondent trades. The module tracks key information such as the amount of the master commitment, the delivery type, effective and expiration dates, and the delivery expiration date. Refer to "Creating and Managing Correspondent Master Commitments" on page 342 for more information.
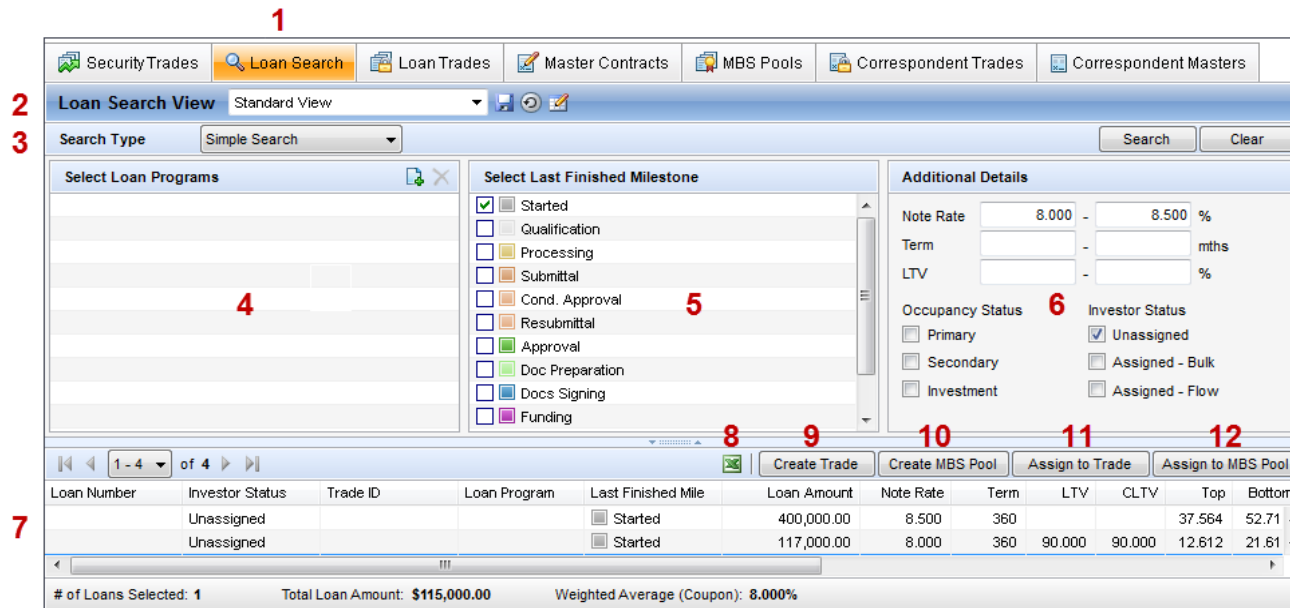
Security Trades Module

1	**Security Trades Tab**	Click the **Security Trades** tab to record and track security trades.
2	**Trades View**	Select a View option to apply that view's search criteria to the security trades.
3	**View**	Select **Current Trades** to display a list of current trades within the trade view filter. Select **Archived Trades** to display a list of archived trades within the trade view filter.
4	**Icons**	Click the **New** icon to create a new trade. Select a trade and click the **Edit** icon to open the trade and modify its details. Select a trade and click the **Duplicate** icon. You can then save the new trade as is, or modify its details before saving. Select a trade and click the **Delete** icon to remove the trade from the trade list. Click the **Refresh** icon to refresh the trade list. Select one or more trades, and click the **Excel i**con to create an Excel spreadsheet with the selected trades. Select one or more trades, and click the **Print** icon to print the entries for the selected trades.
5	**Lock/Unlock**	Select a trade and click **Lock/Unlock** to lock the trade or select a locked trade and click **Lock/Unlock** to unlock it.
6	**Archive/Make Current**	In the Current Trades view, select a current trade and click **Archive** to move it to the archived trade list. In the Archived Trades view, select an archived trade and click **Move to Current** to move it to the current trade list.

Loan Search Module

1	**Loan Search Tab**	Click the **Loan Search** tab to search for loans that are eligible to be traded.
2	**Loan Search Views**	Select a Search View option to apply that view's search criteria to the loans. Standard Search Views are always at the top of the list, while Custom Views are listed alphabetically below those views.
3	**Simple/Advanced Search Options**	Select the **Simple Search** option to search for loans using Loan Programs, Last Finished Milestones, Note Rate range, Term range, LTV range, and occupancy/investor status as search criteria. Select **Advanced Search** to create a search using additional fields and more complex filters.
4	**Loan Programs**	Click the **New** icon to add loan programs to your search criteria.
5	**Last Finished Milestone**	Select milestones to include in your search criteria.
6	**Additional Search Criteria**	Set additional search criteria by entering note rate, loan term, and LTV values. You can also select occupancy status and investor status.
7	**Loans Found**	Click **Search** to search for loans. All loans that satisfy your search criteria are listed in the Loans Found list. You can remove and reorganize category columns.
8	**Export to Excel**	After loans have been found, select loans and click the **Excel** icon to export the loans to a Microsoft Excel (XLS) spreadsheet.
9	**Create Trade Button**	After loans have been found, click **Create Trade** to create a trade with the selected loans.
10	**Create MBS Pool**	After loans have been found, click **Create MBS Pool** to create an MBS Pool with the selected loans.
11	**Assign to Trade Button**	After loans have been found, select loans and click **Assign to Trade** to add the loans to an existing trade.
12	**Assign to MBS Pool**	After loans have been found, select loans and click **Assign to MBS Pool** to add the loans to an existing MBS Pool.

Loan Trades Module

#	Label	Description
1	**Loan Trades Tab**	Click the **Loan Trades** tab **t**o create, track, and manage pools of loan for sale to investors.
2	**Trades View**	Select a view to apply predefined filters to the list of loan trades.
3	**Current/Archived Trades**	Select **Current Trades** to display a list of current trades within the trade view filter. Select **Archived Trades** to display a list of archived trades within the trade view filter.
4	**Trade List**	A list of loan trades. Click an entry to open the loan trade.
5	**Icons**	Click the **New** icon to create a new trade. Select a trade and click the **Edit** icon to open the trade and modify its details. Select a trade and click the **Duplicate** icon. You can then save the new trade as is, or modify its details before saving. Select a trade and click the **Delete** icon to remove the trade from the trade list. Click the **Refresh** icon to refresh the trade list. Select one or more trades, and click the **Excel i**con to create an Excel spreadsheet with the selected trades. Select one or more trades, and click the **Print** icon to print the entries for the selected trades.
6	**Lock/Unlock**	Select a trade and click **Lock/Unlock** to lock the trade or select a locked trade and click **Lock/Unlock** to unlock it.
7	**Archive/Make Current**	In the Current Trades view, select a current trade and click **Archive** to move it to the archived trade list. In the Archived Trades view, select an archived trade and click **Move to Current** to move it to the current trade list.
8	**Advanced Search**	Click **Advanced Search** to perform an advanced search.
9	**Update Pending Loans**	Click **Update Pending Loans** to synchronize the date in the trade with the assigned loans.

Master Contracts Module

1	**Master Contracts Tab**	Click the **Master Contracts** tab to record and track contracts for the delivery of bulk loans.
2	**Contracts View**	Select **Current Contracts** to view a list of current contracts. Select **Archived Contracts** to view a list of archived contracts.
3	**Icons**	Click the **New** icon to create a new contract. Select a contract and click the **Delete** icon to delete the contract. Click the **Refresh** icon to refresh the contracts list. Select one or more trades, and click the **Excel i**con to create an Excel spreadsheet with the selected trades. Select one or more trades, and click the **Print** icon to print the entries for the selected trades.
4	**Archive and Activate Buttons**	Select a current contract and click **Archive** to archive it. Click **Activate** to make an archived contract current.
5	**Contract Info**	These fields display the details of the selected contract.
6	**Currently in Contract**	Lists the trades currently assigned to the selected contract.
7	**Create Trade**	Click **Create Trade** to create a new trade that will be assigned to the Master Contract.

MBS Pools Module

1	**MBS Pools Tab**	Click the **MBS Pools** tab **t**o create, track, and manage MBS pools.
2	**MBS Pools View**	Select a view to apply predefined filters to the list of MBS pools.
3	**Current/Archived MBS Pools**	Select **Current MBS Pools** to display a list of current pools within the MBS pool view filter. Select **Archived MBS Pools** to display a list of archived pools within the MBS pool view filter.
4	**MBS Pool List**	A list of MBS pools. Click an entry to open the pool.
5	**Icons**	Click the **New** icon to create a new pool. Select a pool and click the **Edit** icon to open the pool and modify its details. Select a pool and click the **Duplicate** icon. You can then save the new pool as is, or modify its details before saving. Select a pool and click the **Delete** icon to remove the pool from the pool list. Click the **Refresh** icon to refresh the pool list. Select one or more pools, and click the **Excel i**con to create an Excel spreadsheet with the selected pools. Select one or more pools, and click the **Print** icon to print the entries for the selected pools.
6	**Lock/Unlock**	Select a pool and click **Lock/Unlock** to lock the pool or select a locked pool and click **Lock/Unlock** to unlock it.
7	**Archive/Make Current**	In the Current MBS Pools view, select a current pool and click **Archive** to move it to the archived pool list. In the Archived MBS Pools view, select an archived pool and click **Move to Current** to move it to the current pool list.
8	**Advanced Search**	Click **Advanced Search** to perform an advanced search.
9	**Update Pending Loans**	Click **Update Pending Loans** to synchronize the date in the pool with the assigned loans.

GSE Commitments Module

1	GSE Commitments Tab	Click the **GSE Commitments** tab **t**o create, track, and manage GSE commitments.
2	Commitments View	Select a view to apply predefined filters to the list of GSE commitments.
3	Current/Archived GSE Commitments	Select **Current GSE Commitments** to display a list of current commitments within the Commitments view filter. Select **Archived GSE Commitments** to display a list of archived commitments within the Commitments view filter.
4	GSE Commitment List	A list of GSE commitments. Click an entry to open the commitment.
5	Icons	Click the **New** icon to create a new commitment. Select a commitment and click the **Edit** icon to open the commitment and modify its details. Select a commitment and click the **Duplicate** icon. You can then save the new commitment as is, or modify its details before saving. Select a commitment and click the **Delete** icon to remove the commitment from the commitment list. Click the **Refresh** icon to refresh the commitment list. Select one or more commitment, and click the **Excel i**con to create an Excel spreadsheet with the selected commitments. Select one or more commitments, and click the **Print** icon to print the entries for the selected commitments.
6	Archive/Make Current	In the Current Commitments view, select a current commitment and click **Archive** to move it to the archived commitment list. In the Archived Commitments view, select an archived commitment and click **Move to Current** to move it to the current commitment list.
7	Advanced Search	Click **Advanced Search** to perform an advanced search.

Correspondent Trades Module

1	Correspondent Trades Tab	Click the **Correspondent Trades** tab **t**o create, track, and manage correspondent trades and open Assignment of Trades (AOTs).
2	Correspondent Trades View	Select a view to apply predefined filters to the list of correspondent trades.
3	Current/Archived/Voided Trades	Select **Current Trades** to display a list of current trades within the trade view filter. Select **Archived Trades** to display a list of archived trades within the trade view filter. Select **Voided Trades** to display a list of voided trades within the trade view filter.
4	Correspondent Trade List	A list of correspondent trades. Click an entry to open the correspondent trade.
5	Icons	Click the **New** icon to create a new correspondent trade. Select a trade and click the **Edit** icon to open the trade and modify its details. Select a trade and click the **Duplicate** icon. You can then save the new trade as is, or modify its details before saving. Select a trade and click the **Delete** icon to remove the trade from the trade list. Click the **Refresh** icon to refresh the trade list. Select one or more trades, and click the **Excel i**con to create an Excel spreadsheet with the selected trades. Select one or more trades, and click the **Print** icon to print the entries for the selected trades.
6	Lock/Unlock	Select a trade and click **Lock/Unlock** to lock the trade or select a locked trade and click **Lock/Unlock** to unlock it.
7	Archive/Make Current	In the Current Trades view, select a current trade and click **Archive** to move it to the archived trade list. In the Archived Trades view, select an archived trade and click **Move to Current** to move it to the current trade list.
8	Advanced Search	Click **Advanced Search** to perform an advanced search.
9	Update Pending Loans	Click **Update Pending Loans** to synchronize the date in the trade with the assigned loans.

Correspondent Master Module

1	Correspondent Masters Tab	Click the **Correspondent Masters** tab to create, track, and manage correspondent master commitments.
2	Correspondent Master Commitments View	Select a view to apply predefined filters to the list of correspondent master commitments.
3	Current/Archived Commitments	Select **Current Commitments** to display a list of current commitments within the master commitment view filter. Select **Archived Commitments** to display a list of archived commitments within the master commitment view filter.
4	Correspondent Master Commitment List	A list of master commitments. Click an entry to open the master commitment.
5	Icons	Click the **New** icon to create a new correspondent master commitment. Select a master commitment and click the **Delete** icon to remove the master commitment from the master commitment list. Click the **Refresh** icon to refresh the master commitment list. Select one or more master commitments, and click the **Excel i**con to create an Excel spreadsheet with the selected master commitments. Select one or more master commitments, and click the **Print** icon to print the entries for the selected master commitments.
6	Archive/Make Current	In the Current Master Commitments view, select a current master commitment and click **Archive** to move it to the archived master commitment list. In the Archived Master Commitments view, select an archived master commitment and click **Move to Current** to move it to the current master commitment list.
7	Advanced Search	Click **Advanced Search** to perform an advanced search.

Creating and Managing Loan Trades

Use the Loan Search feature to search for loans that are eligible to be traded. Loans that meet the search criteria can then be added to an existing trade, or used to create a new trade. You can also open eligible loans directly from the Loan Search module to view loan details.

On many of the screens on the Trade tab, you can control the information that is displayed by sorting, filtering, and reconfiguring the columns. You can then save the configuration as a custom view and apply the view to the data at any time. For additional information, refer to "Customizing the Search Results View" on page 300.

Step 1: Search for Eligible Loans

The first step in creating a trade is using the Loan Search feature to search for loans that are eligible to be traded. Loans that meet the search criteria can be added to an existing trade or used to create a new trade.

Use the Simple Search option to select predefined search criteria. Use the Advanced Search option to create your own search criteria.

NOTE: If you perform a search without specifying any search criteria, every eligible loan you are authorized to view will display. Loans do not display in the search results if the loan has reached the Completed milestone, the loan is already allocated to another trade, or the fields for the borrower name, interest rate, or loan amount are empty.

To Perform a Simple Search:

1   On the Trades tab, click the **Loan Search** tab, and then make sure **Simple Search** is selected on the Search Type drop-down list.

•   Or click the **Loan Trades** tab, and then click the **New** icon.

2   Click the **New** icon to select one or more loan programs., and then click **Select**.

3   Select one or more Last Finished Milestones (the last milestone completed for a loan).

4   Enter a Note Rate range.

5   Enter a Term range (in months).

6   Enter an LTV (loan-to-value) percentage range.

7   Select the occupancy and investor status.

8   On the **Loan Search** tab, click **Search**.

•   On the **Loan Trades** tab, select loans as described in "Step 3: Loan Trade Details" on page 301.

To Perform an Advanced Search:

1   On the **Loan Search** tab, select **Advanced** from the **Search Type** drop-down list.

•   Or, on the **Loan Trades** tab, click the **Advanced Search** button.

2   Click the **New** icon to open the Add/Edit Search Filter window.

*NOTE: The **New** icon inserts a filter at the bottom of the list. To insert a filter above an existing filter, select a filter, click **Insert**, and then define the new filter as described in "Working with Filters:" on page 380.*

3   Click the **Find** icon (magnifying glass).

4   On the Select Field window, double-click to select a field from the list.

•   Or, enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

5   Select an Operator, enter (or select) a Value, and then click **OK**.

•   The Operator and Value define how the field will be used to search for loans. For example: Field ID= **1109** (Loan Amount), Operator = **Greater than**, **Value** = 250000.

6   Repeat steps 2 through 5 to add more filters.

7   You can use parentheses to control the order in which multiple filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

8   On the **Loan Search** tab, click **Search**, or click **Clear** to clear the criteria.

•   On the **Loan Trades** tab, select loans as describe in "Step 4: Select Loans" on page 304.

*NOTE: If you have added or modified any filters in Advanced Search, and then switch to Simple Search, these changes will be lost. Click the **Save Search** to save the search criteria before switching to Simple Search.*

Working with Filters:

- To switch the qualifier (Joint) between multiple filters, click **AND/OR**.

- To view filters in a statement format, click **View Filter**.

- To edit a filter, click the **Edit** icon, make required changes, and then click **OK**.

- To delete a selected filter, click the **Delete** icon, and then click **Yes** in response to the confirmation message.

- To insert a filter above a selected filter, click **Insert**, and then define the filter as described above.
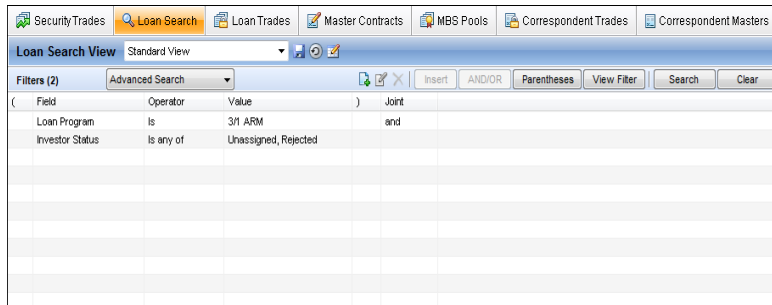
To Save a Search:

After specifying search criteria, you can save a the search for future use.

1 Click the **Save** icon to the right of the Loan Search View field.

2 Select **Save as**, enter a name for the search view, and click **Save**.

3 To access a saved search view, select it from the Loan Search View drop-down list.

4 To rename, duplicate, or delete a search, or to set it as your default view, click the **Manage Views** icon.

View Search Results

After performing a search, the qualifying loans are displayed at the bottom of the screen. By default, the following loans <u>will not</u> be included in the search results:

- Loans that do not include an amount, note rate, or the borrower's first and last name.

- Loans that are currently at the Completed milestone.

- Loans with an adverse loan status.

- Loans that have been rejected by the investor.

Customizing the Search Results View

There are many different options for setting up and viewing loan information. You can use one or more standard Loan Search Views that are based on your assigned persona and specified by your system administrator. You can also create custom Loan Search Views by making changes such as adding or removing columns, changing the order of columns, applying search filters, and sorting column data, and then saving the changes as a new view.

To Add, Remove, or Organize Search Columns:

You can customize the view of the loan by adding and removing columns, as well as changing the column order.

1 Right-click a column heading and select **Customize Columns**.
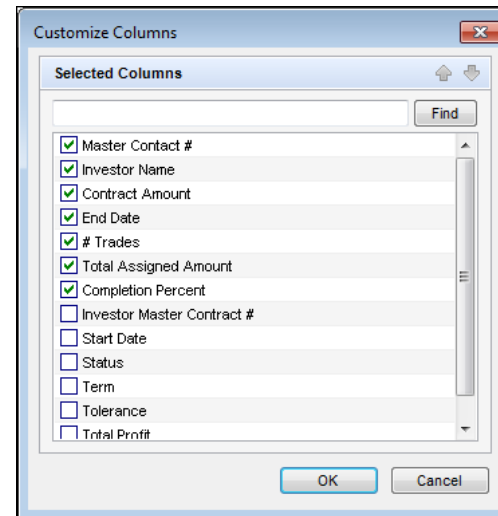
2 Select the columns to add or remove from the search results.

3 Select a column and click the **Move Up** or **Move Down** arrows to change the order of the columns.

- You can also click a column heading on the search results list and drag it to a different location.

4 Click **OK**.

To Sort Loans:

You can sort loans based on the information displayed in the columns. Click the column header to sort all loans in ascending or descending order based on the information in a column.

1 Click a column header to display loans in ascending order based on the information in the column.

2 Alternately click the header to sort the loans in descending or ascending order.

Manage Search Results

This section describes the tasks you can perform after loans that fit your search criteria are found.

To Create a Trade:

1 Select the loans to include in the trade.

2 Click **Create Trade**.

3 From the New Trade screen, create the trade.

To Create an MBS Pool:

1 Select the loans to include in the MBS pool.

2 Click **Create MBS Pool**.

3 Select the type of pool you are creating (i.e., Fannie Mae, Freddie Mac, or Ginnie Mae).

4 From the New MBS Pool screen, create the pool.

To Assign a Loan to an Existing Trade:

1 Select one or more loans, and then click **Assign to Trade**.

2 Select the trade to which the selected loans will be assigned, and click **OK**.

3 Click the **Save** icon to save the updated trade.

4 When prompted, click **Yes** to update the loan file with information from the trade. Click **No** if you do not want to update the loan file.

5 When the Loan Data Synchronization window opens, clear the check boxes for any field data that you do not want to copy from the trade to the loan file.

6 Select the **Apply to All Loans** check box to apply the changes shown in the window to all the loans assigned to the trade.

7 Click **OK**.

To Assign a Loan to an Existing MBS Pool:

NOTE: *If Enable MBS Pools tab is not selected in the Encompass Settings, then the Assign to MBS Pool button will not be displayed.*

1 Select one or more loans, and then click **Assign to MBS Pool**.

2 Select the pool to which the selected loans will be assigned, and click **OK**.

3 Click the **Save** icon to save the updated pool.

4 When prompted, click **Yes** to update the loan file with information from the pool. Click **No** if you do not want to update the loan file.

5 When the Loan Data Synchronization window opens, clear the check boxes for any field data that you do not want to copy from the pool to the loan file.

6 Select the **Apply to All Loans** check box to apply the changes shown in the window to all the loans assigned to the trade.

7 Click **OK**.

To Export Search Results:

• Select the loans to export and click the **Excel** icon.

• The loans details are exported to a Microsoft Excel (XLS) spreadsheet.

Step 2: Select Loans

Once you have found loans that are eligible to be traded, select the loans to assign to a trade.

• If you searched from the Loan Search tab, select one or more loans from the list of search results, and then click **Create Trade**.

• If you searched from the Loan Trades tab, you will select loans for the trade after you complete Step 3.

Step 3: Loan Trade Details

Enter information about the trade, shipping details, commitment and target delivery dates, profitability amounts, and pricing information.

Details Tab: Loan Trade Information

1 Enter the Trade ID.

2 Enter or select a Commitment Date.

3 Select a Master Contract # to add the trade to, if applicable.

4 Enter or select a Commitment Type and Trade Description.

5 Enter the investor's name, Investor Trade #, and Investor Commitment #. The Commitment # is applied to the Secondary Registration tool for each loan.

6 Add investor data, there are three ways to do this.

• If you select a **Master Contract #**, the contract's investor data (including Pair Off Fee) is applied to the trade.

• Click the **Find** icon to select an investor from the Investor Template list. This also applies the investor's data (including Pair Off Fee) to the trade.

• Manually add investor information.

7 For Encompass 17.2 and later, if you manually enter a Weighted Avg. Bulk Price (**Bulk Delivery** must be selected to lock the lock icon), that price is mapped to the total price for each loan allocated to the trade. When you allocate a loan to the trade, the import file will only import a single column of loan numbers or manually entered loan numbers.

NOTE: You cannot allocate a loan to a trade with a blank price in the manually entered WABP.

8 Enter the Trade Amount and the Tolerance (allowed percentage variance) to the trade amount.

NOTE: The Minimum Amount is automatically calculated by determining the dollar amount of the Tolerance and subtracting it from the Trade Amount. The Maximum Amount is calculated by determining the dollar amount of the Tolerance and adding it to the Trade Amount.

9 If not already populated from an investor template, enter the percent value used to calculate the investor's Pair Off fee for trade deliveries that fall below the agreed upon amounts. The actual fee is calculated when entries are made on the **Pair Offs** tab.

10 Enter or select the Investor Delivery Date, the Early Delivery date, and the target Delivery date.

- If the Investor's template information contains a number in the Delivery Time Frame field, the Investor Delivery Date will be calculated by adding the number to the Commitment Date.

- The Investor Delivery Date and Target Delivery Dates are applied to the Secondary Registration and Shipping Details tools for each loan.

11 Enter the Actual Delivery Date and Purchase Date when appropriate.

12 In the Misc. Fee field, enter any miscellaneous fees.

13 The Total Gain/Loss, Total Pair Off Amount, and Total Net Profit are calculated as loans are added to the trade.

Details Tab: Security Trade Information
If the loan trade is being include in a security trade, enter the security trade information in this section.

Details Tab
1 Select a Security ID for the trade from the drop-down list, or enter the Security ID.

- The Assigned Date field will be populated with the current date.

- If you select the Security ID from the list or enter the Security ID for an existing security trade, the remaining fields on the Details screen will populate from the selected security trade, and the field will be disabled.

2 If you entered the Security ID for a security trade that has not already been created on the Security Trade tab, enter or select entries for the Security Type, Program Type, Coupon, Price, and the date fields. When you save the loan trade, Encompass will create a matching Security Trade entry on the Security Trade tab.

Dealer Tab
If a dealer is associated with the security trade, enter dealer information here.

Details Tab: Address
In the Address section, click the tabs and, if contact information is not already entered, type the contact information, or click the **Address Book** icon to import the contact information from your business contacts. We highly recommend you enter the contact information in the Investor template.

*NOTE: If a trade is shipping to an Assignee, enter the Assignee contact information on the **Ship To** tab.*

Pricing Tab: Base Price/Detailed Pricing Grid
The Pricing tab defines the range of rates for the loans in your trade. Select the **Simple** or **Advanced** option from the drop-down list in the Base Price or Detailed Pricing Grid section to create your pricing options.

NOTE: Loans whose rates fall outside of the Note Rate range on the Details tab will not be eligible for the trade.

Simple

Select the **Simple** option to create a Base Price table with a range of note rates and prices for the loans in your trade. Then create Buy Up/Down adjustments to price loans with rates outside the range in the Base Price table.

1 Select the **Simple** option from the drop-down list on the upper-left panel.

2 Click the **New** icon in the Base Price section.

3 On the Add Pricing Data window, enter a Rate, and the Price for the rate (in basis points), and then click **OK**.

4 Add additional rates and pricing to cover the range of rates in the trade in 1/8 point increments.

5 To delete a rate and pricing entry, select the entry and click the **Delete** icon.

Buy Up/Down

The Buy Up/Down fields are used to price loans whose rates fall outside of the range covered in the Base Price table.

1 Enter the Rate Adjustment increment that the Buy Up and Buy Down values are based on. This value is typically 0.125.

2 In the Buy Up field, enter the percent that is added to the base price for each Rate Adjustment increment above the highest note rate in the Base Price table.

3 In the Buy Down field, enter the percent that is deducted from the base price for each Rate Adjustment increment below the lowest note rate in the Base Price table.

Advanced

Select the **Advanced** option when working with loan trades that are associated with a Security trade. You can then create a Detailed Pricing Grid based on the security trade coupon price, enter additional fees that will be applied to the pricing, and create a list of pricing adjustments based on each loan's note rate.

1 Select the **Advanced** option from the drop-down list.

2 The Coupon and Security Price are populated from the entries in the Security Trades section on the **Details** tab. Enter amounts for the Guarantee Fee and Service Fee (if you are retaining servicing).

3 Enter amounts for the Early Delivery Credit and Negotiated Incentive, if appropriate.

NOTE: These fields are optional, and are included in the Total Price for each entry in the table below.

4 To create a table of pricing adjustments based on the Note Rate of each loan, click the **Add** icon and enter the following information:

- Note Rate of the loan.
- Buy Up or Buy Down amount for the note rate.
- GNMA II Excess, if applicable.
- Mandatory Adjustment, if applicable.

5 Click **Add Another** and repeat steps 1-4 to add pricing adjustments for additional note rates.

6 When finished, click **OK**.

NOTE: When a loan with a note rate listed on the table is assigned to a loan trade, the Total Price is populated to the Secondary Registration and Purchase Advice tools in the loan file if you select the option to overwrite the loan information with the trade information when you save and update the trade. For more information, refer to About Saving and Updating Trades on page 306.

Pricing Tab: Price Adjustments

Apply adjustments from a template and/or create adjustments from scratch.

To Apply an Adjustment Template:

1 Click the **Template** button in the Adjustments section.

2 On the Select Adjustments Template window, select a template.

3 If you want to add the template data to the list of adjustments (rather than replace the list), select the **Append template to existing data** check box.

4 Click **Select**.

To Add a New Adjustment:

1 Click the **New** icon in the Price Adjustments section.

2 Enter a percentage value for the Price Adjustment when the condition is met in the Price Adjustment field.

- If the investor will pay the adjustment amount when the conditions are met, enter a positive number. If the investor will receive a discount, enter a negative number.

3 Click the **New** icon, and then click the **Find** icon.

4 On the Select Field window, double-click to select a field from the list. The list includes a default set of loan fields and any loan fields added to the Reporting Database.

- Or, enter one or more characters and click **Find**. The first occurrence of the characters in any column will be found.

5 Select an Operator, enter (or select) required Values, and then click **OK**.

- The Operator and Value define how the field will be used to define the adjustment. For example: Field ID= **1109** (Loan Amount), Operator = **Greater than**, Value = **250000**.

6 For compound filters, use the **AND/OR** button to indicate how the filters are applied. Use **and** when you want all the selected filters to apply to the loans. Use **or** when you want to locate loans that match any of the selected filters.

7 For compound filters, use parentheses to control the order in which the filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

8 To adjust the Price Adjustment directly on the Price Adjustments list, click the cell in the Price Adjustment column, and enter a percentage value for the adjustment when the condition is met.

- If the investor will pay the adjustment amount when the conditions are met, enter a positive number. If the investor will receive a discount, enter a negative number.

9 To edit a price adjustment, select an entry, click the **Edit** icon, make your edits, and then click **Apply**.

10 To delete a price adjustment, select an entry, and then click the **Delete** icon.
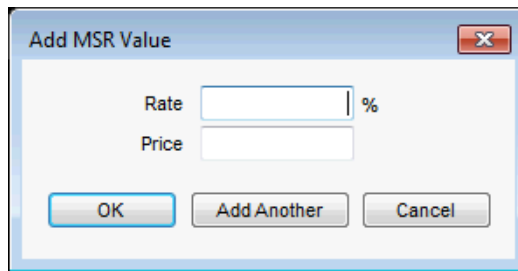
Pricing Tab: MSR

For users that sell service retained loans, use this section to capture MSR by note rate. When **Servicing Type** on the Details tab is "Service Retained", a MSR section is displayed on the Pricing tab. This section replaces the Buy Up, Buy Down, and SRP Table sections.

1 Click on **Add MSR**.

2 In the Add MSR Value Data pop-up window, enter a **Rate** and **Value**.

3 Click **OK** to save our MSR value.

Or

4 Click **Add Another** to add another value.

Pricing Tab: SRP Table and SRP Details

You can apply SRPs and SRP adjustments from a template and/or create them from scratch. When you apply a template, the template data will replace the current data in the SRP Table.

To Apply an SRP Template:

1 Click the **Template** button.

2 Select a template and click **Select**.

To Add New SRP Data:

1 Click the **New** icon in the SRP Table section.

2 In the SRP Details section, enter a minimum and maximum Loan Amount to establish the range that the Base SRP and adjustments will apply to.

3 Enter the Base SRP value, as a percent of the loan.

4 Enter the Base SRP Adjustment, If Impounds are Waived percent for loans whose escrow has been waived. This is typically a negative value. This adjustment percent is added to the Base SRP value for loans whose escrow has been waived.

*NOTE: Note: To waive a loan's escrow, select the **Escrow will be waived** check box located on the Loans tab of the Secondary Registration tool.*

5 If additional adjustments are required for specific locations:

- Select a location in the State column in State from the SRP Adjustment Based on Geography list.
- Click the SRP Adjustment field to the right of the location and enter the adjustment percent. This adjustment percent is added to the Base SRP value for loans on properties in the selected location.
- Click the SRP Adjustment, If Impounds are Waved field to the right of the location and enter the adjustment percent. This adjustment percent is added to the Base SRP value for loans on properties in the selected location whose escrow has been waived.
- Select and add additional location-specific adjustments as required.

6 When finished entering SRP values for the range, click the **Save** icon in the SRP Details section.

Step 4: Select Loans

1 If you searched from the **Loan Trades** tab, select loans for the trade by clicking the **Loan** tab.

- If you searched from the **Loan Search** tab, loans were selected in **Step 2: Select Loans** above. However, you can add more loans to the trade at this point by completing the steps below.

2 Click the **View eligible loans** check box.

- For Encompass 17.2 and later, a correspondent loan with a status of "Withdrawn" (Withdrawn Date is populated on the Correspondent Loan Status tool) will be excluded from the Eligible Loan section.
- For Encompass 17.2 and later, an already allocated correspondent loan with a status of "Withdrawn" will be highlighted in pink and a warning message, "The highlighted loan(s) below have been withdrawn. Please note and take appropriate action" will be displayed.

3 In the Eligible Loans section, select one or more loans, and then click **Assign Loans**.

- **Assign a Loan to a Trade by Importing a Loan File**

  On the Loans tab, you can assign loans to a trade by importing a single column Excel (CSV) file.

1 Click the **Trades t**ab and then the **Loan Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual input** check box, at the top of the tab.

5 Click **Import**.

6 Locate the loan file you want to import, and then click **Open**. The file to be imported must be a single column CSV file with the loan number.

7 Click the **Save** icon.

• The loans are added to the Currently in Loan Trades list with a status of Assigned – Pending until the trade is saved.

• If the Assigned Amount for the loan or loans being added is greater than the Maximum Amount for the trade, the loan or loans cannot be allocated to the trade.

• **Assign a Loan to a Trade by Entering a Loan Number**

On the Loans tab, you can assign loans to a trade by manually entering loan numbers.

1 Click the **Trades t**ab and then the **Loan Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual input** check box, at the top of the tab.

5 Click the Add Loan Number icon, and then add the loan numbers for specific loan files.

• You can enter loan numbers separated by commas or line breaks.

• You can copy and paste loan numbers.

6 Click the **Save** icon.

• The loans are added to the Currently in Loan Trades list with a status of Assigned – Pending until the trade is saved.

• If the Assigned Amount for the loan or loans being added is greater than the Maximum Amount for the trade, the loan or loans cannot be allocated to the trade.

• **Allocating Loans for Bulk Delivery**

For Encompass 17.2 and later, when the **Bulk Delivery** check box is selected and the WABP is calculated (not manually entered), and a user selects the **Assign loans by file/manual input** check box on the Trade Loans tab, the Assign Loans from a File/Manual Input pop-up screen now supports the ability to enter a loan number and total price, separated by a comma (i.e., loan number,total price).

1 Click the **Add** icon to manually enter or paste one loan number and total price, separated by commas, per row.

2 Click the **Import** button to import a CSV file with one loan number and total price, separated by commas, per row.

For loan trades, the imported **Total Price** will be displayed in the Loan Trade Total Sell Price column in the Loans View.

4 The loans display 4in the **Currently in Trade** section.

Step 5: Save the Trade and Update Loans

After assigning loans to the trade, you need to save the trade and, if necessary, update the loan file(s) so they contain the most current values and information.

1 Click the **Save** icon (on the top right of the screen).

2 When asked if you want to update the loan files, click **Yes**.
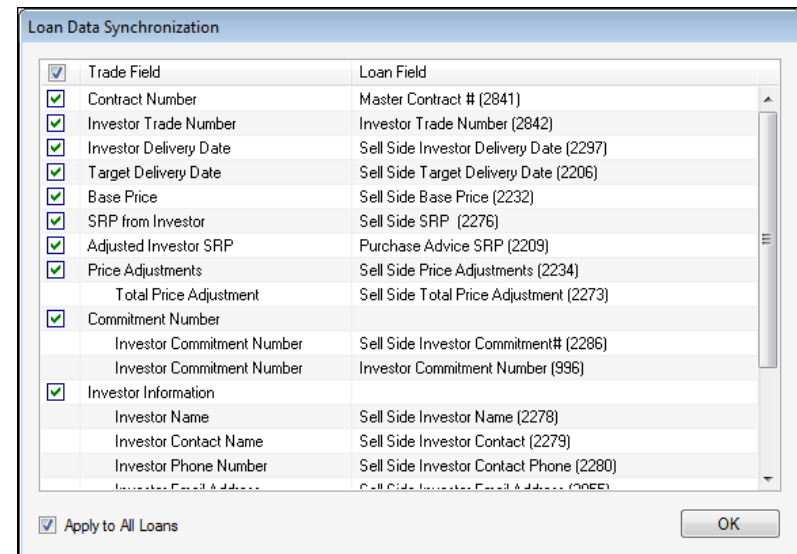
• If a check box is selected, the loan fields will be overwritten by the value entered in the trade field.

- If a check box is cleared, the loan fields will not be synchronized with the trade fields.
- By default, non-synchronized fields are displayed for each loan in turn. Select the Apply to All Loans check box at the bottom of the window to apply the synchronization options to all the loans you are updating.

Updating Multiple Trades in a Queue

The Loan Data Synchronization enables multiple trades to be processed in an update queue that runs in the background. A new icon 🗓️ will be available in the status bar (bottom of the screen, which will open the new Trade Update Queue pop-up window. This window will display the update progress of the selected trades for users with persona access to the Trades tab.

The selections at the top of the pop-up window enable you to filer and display a list of the trades submitted for update.

- **All Jobs** - Displays all jobs across all sessions for all users except completed jobs not submitted by the requester.
- **Show jobs submitted during this Encompass session** - Displays the jobs submitted by the requester.
- **Show jobs submitted by XXX user** - Displays the jobs submitted by the requester across all sessions.

The hyperlinks next to each trade enable you to do the following:

- **Details** - Opens to the trade's Notes/History tab and displays the results of the update (number of loans processed, number of successful updates, errors, and number of loans not processed).
- **Clear** - Removes that particular trade from the update queue.
- **Cancel** - If available, cancels the update for that particular trade.

Trades being updated will be assigned a new status of "Pending". When a pending trade is opened, the title header will be red and it will be displayed as read-only (cannot be edited).

About Saving and Updating Trades

You have two options when you are saving a trade:

- **Save Icon -** When you save a trade using the Save icon in the upper right of the screen, you have the option of updating only the trade, or both the trade and its assigned loans. Until you update the assigned loans, the data in the trade will not be synchronized with the data in the loan files.
- **Update Selected Loans and Update All Loans Buttons** - Use these buttons on the **Loans** tab to synchronize data in the trade with the assigned loans.
  - **Update Selected Loans** - Updates the loans highlighted in the Loans grid. You must highlight at least one loan to enable this button.
  - **Update All Loans** - Updates all loans in the Loans grid.

When an exclamation point displays on the button, it indicates that one or more assigned loans has a Pending status (such as Assigned - Pending). Loans with the following pending statuses will be highlighted in blue:

- Assigned - Pending
- Shipped - Pending
- Purchased - Pending
- Removed - Pending

If a loan is removed from the trade, the loan's status will change to "Removed - Pending". If a loan has a Removed-Pending status during the update process, it will be removed from the Currently in Trade list when the update is completed.

When you click the **Update Selected Loans**/**Update All Loans** button and then select the **Apply to All Loans** check box, the update date process will not be interrupted if a loan cannot be updated at the time (due to a loan file being in use by another user for example) and any loan that cannot be updated retains its *Assigned-Pending* trade assignment status. After the update process is complete, a confirmation message is displayed that indicates the number of loans that were updated successfully, how many loans could not be updated, and the reason why the loans could not be updated.

Tracking the Progress of a Loan Trade

Use the statuses displayed on the Current Trades list to track the progress of your loan trades. Each loan that is assigned to a loan trade also has a status (as it relates to the trade) that displays on the Currently in Trade list.

Loan Trade Statuses

When you record the completion of each phase of a loan trade, the loan trade's status is updated.

- **Open** - The trade has been created and saved.
- **Committed** - The commitment was made to the investor on the Commitment Date that is entered on the Details tab.
- **Shipped** - All loans in the trade were shipped on the Actual Delivery Date that is entered on the Details tab.
- **Purchased** - The purchase of the trade was completed on the Purchase Date (entered on the Details tab).
- **Archived** - The trade was moved to the Archived list. These trades are View-only and cannot be modified.

Loan Statuses

The date to the right of the loan status is the date the current status was set. If a status is displayed as Pending (such as Assigned - Pending), the loan file has not yet been synchronized with the trade.

- **Assigned** - The loan has been assigned to the trade.
- **Shipped** - The loan has been shipped. The status is set using the **Marked as Shipped** button, or by entering an Actual Ship Date on the Shipping Detail form in the loan file.
- **Purchased** - The purchase of the loan is complete. The status is set by entering a Purchase Advice Date on the Purchase Advice Form in the loan file.

Working with Loan Trades

To Access a Trade:

Click the **Trades** tab, click the **Loan Trades** tab, and then double-click a trade.

For Encompass 17.2 and later, a correspondent loan with a status of "Withdrawn" (Withdrawn Date is populated on the Correspondent Loan Status tool) that has been assigned to a trade will be highlighted in pink and a warning message, "The highlighted entries below contain a loan that has been withdrawn. Please note and take appropriate action." will be displayed.

To Edit a Trade:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Change information in the Details and Pricing Tabs as required.

4 Click the **Save** icon.

To Record Pair Offs:

1 To record a short delivery, on the Details tab, select an entry on the Pair-Offs table and then click the Edit icon.

- Or double-click an entry.

2 Select or enter a Pair-Off Date (the date the pair off occurred).

3 In the Trade Amount field, enter the amount of the trade to which the Pair-Off fee applies.

4 Enter the Pair Off Fee percentage.

- The Gain/Loss amount is calculated

5 Enter up to four Pair Offs as needed.

To Add Notes:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Click the **Notes/History** Tab.

4 Click the **Date Stamp** button, and then enter the required notes.

To Assign Loans:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Click the **Loans** tab.

4 Select the **View eligible loans** check box to display a list of loans that are eligible to be added to the trade.

5 Select one or more loans from the Eligible Loans list and click **Assign Loans**.

The loans are added to the Currently in Trade list with a status of Assigned-Pending until the trade is saved.

Mark Loans as Shipped:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Click the **Loans** tab.

4 Select one or more loans from the Currently in Trade list, and then click **Mark as Shipped**.

- The Actual Ship Date field on the Shipping Detail tool is updated with either the Actual Delivery Date on the Details tab or the current date (if the Actual Delivery Date is empty).

- If the Actual Delivery Date on the Details tab is empty, then that field is updated with the current date.

- The status of the loans are changed to Shipped-Pending to indicate that the loans are marked as shipped but not yet updated. When the loan update process is completed, the status changes to Shipped.

Mark Loans as Purchased:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Click the **Loans** tab.

4 Select one or more loans from the Currently in Trade list, and then click **Mark as Purchased**.

- The Purchase Advice Date field on the Interim Servicing Worksheet is updated.

- If the purchased date for the loan has not been assigned, you will be prompted to use the current date.

- The status of the loans are changed to Purchased-Pending to indicate that the loans are marked as purchased but not yet updated. When the loan update process is completed, the status changes to Purchased.

To Remove Loans from a Trade:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a loan trade and click the **Edit** icon.

3 Click the **Loans** tab.

4 Select one or more loans from the Currently in Trade list, and then click the **Delete** icon.

5 A confirmation message displays with a check box that allows you to flag loans as rejected by the investor.

- If you are deleting a single loan and you flag it as rejected, the Comments box is enabled. Enter a comment if needed, and the click **Yes**.

- If you are deleting more than one loan and you flag them as rejected, a Rejected Loans Comment window opens. To enter individual comments for each loan, click the entry in the Comments column for the loan, and then enter your comments. When finished, click **OK**.

NOTE: When you select the View eligible loans check box, loans that have been flagged as rejected will not loans will not show in the list of Eligible Loans for this trade. The "rejected by investor" status displays on the affected trade's Notes/History tab, as well as in the Loan History section of the View Trade Summary window available from the Secondary Registration tool.

6 When finished editing the trade, click the **Save** icon.

NOTE: If any of the changes result in one or more of the loans falling outside of the defined pricing or eligibility criteria, the loans will be flagged with a red asterisk on the Currently in Trade list on the Loans tab. The specific fields that are outside the criteria will be changed to red text.

To Duplicate a Trade:

When you duplicate a trade, information from the Details and Pricing tabs are copied to the new trade. Assigned loans, notes, and history are not copied.

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a trade, and click the **Duplicate** icon.

3 On the Details tab, enter a Trade Name/Number for the new trade.

4 Search for and assign eligible loans, and make additional changes to the trade information as required.

5 When finished updating the new trade, click the **Save** icon.

The trade is added to the Trades list with a status of Open.

To Lock and Unlock a Trade:

When you lock a trade, no loans can be assigned to, or removed from, the trade. You can still edit the trade and save updates to both the trade and its assigned loans.

1 On the Trades tab, click the **Loan Trades** tab.

2 On the trades list, select a trade and click **Lock/Unlocked**.

3 Click **Yes** in response to the confirmation message.

A lock icon displays to the left of the trade on the Trades list.

4 To unlock a trade, select a trade, and then click **Lock/Unlocked**.

5 Click **Yes** in response to the confirmation message.

To Archive a Trade:

1 On the Trades tab, click the **Loan Trades** tab.

2 On the Trades list, select a trade and click **Archive**.

3 Click **Yes** in response to the confirmation message.

4 If the trade status is not Purchased, you will be also be asked to confirm that you want to archive the trade.

5 To view archived trades, select the **Archived Trades** option above the Trades list.

6 To return an archived trade to the Current Trades list, select a trade on the Archived Trades list, click **Move to Current**, and then click Yes in response to the confirmation message.

To Export Selected Loan Trade Entries to Excel:

1 Click the **Trades** tab, and then click the **Loan Trades** tab.

2 Select one or more trades.

3 Click the Excel icon.

   • Or, on the menu bar, click **Loan Trades**, point to **Export Trade to Excel**, and then click **Selected Trades Only**.

To Export All Loan Trade Entries to Excel

1 Click the **Trades** tab, and then click the **Loan Trades** tab.

2 On the menu bar, click **Loan Trades**, point to **Export Trade to Excel**, and then click **All Trades on All Pages**.

To View Trade History:

1 On the Trades list, select a trade and click the **Edit** icon.

2 Click the **Notes/History** tab.

3 The History section displays entries for each trade event.

4 To Export the history to a CSV file, click the **Excel** icon.

To Delete a Trade:

1 On the Trades list, select a trade and click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

To Customize Your Loan Trades View:

When viewing a loan trade, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a loan trade.

NOTE: When you export contract entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Access a Loan Trade:

Click the **Trades** tab, click the **Loan Trades** tab, and then double-click a loan trade.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

   The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort the Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

   Example: Click the Assigned Date column to display loans in chronological order. with the and loans with the highest amounts at the bottom. Click the header again to display the highest amounts at the top.

   *NOTE: You can sort loans based on two levels of loan data. For example, on the Pipeline you can sort loans based on the loan amount and the last finished milestone. First, click the **Loan Amount** column header to sort by ascending loan amount. Then, click the **Last Finished Milestone** column header. The loans are sorted by last finished milestone, and the loans within each milestone group are sorted in ascending order by loan amount.*

To Save the View:

After you have set up the data to your specifications, click the **Save** icon.

Creating and Working with Security Trades

Use the Security Trades tab to create security trades and assign loan trades to security trades. First create the security trade on the Security Trade tab, and then assign Loan Trades to the Security trade in two ways:

- Create and assign a loan trade from a security trade.
- Create and assign a loan trade from the Loan Trade tab, and then assign the loan trade to an existing security trade.

To Create a Security Trade:

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Click the **New** icon.

3 Complete the Trade Info, Dealer, and Pair Offs sections.

Trade Info

1 Enter a Security ID.

2 Enter or select a Commitment Type, Trade Description, Security Type, and Program Type.

3 Enter the minimum and maximum number of months for the Term.

4 Enter the Coupon, Price, Trade Amount, Tolerance Percentage, Minimum Amount, and Maximum Amount for the trade.

- The Minimum Amount and Maximum Amount are calculated automatically.

5 If needed, enter an Option Premium.

- This field was introduced in Encompass 18.1.

6 Select or enter the Commitment Date, Confirm Date, Settlement Date, and Notification Date.

Dealer

- Enter the name and address of the dealer.

  NOTE:Enter the Zip code and then click any field to populate the city and state.

- Or click the **Address Book** icon to select a dealer from your business contacts.

Pair Offs

1 Double-click an entry in the Pair Offs section.

2 When the Security Trade Pair-Off window opens, enter or select the Pair-Off Date.

3 Enter the Trade Amount and Buy Price.

- The Gain/Loss amount is calculated automatically.

To Assign a Loan Trade from a Security Trade:

1 On the **Security Trades** tab, double-click an entry to open a security trade.

2 In the Loan Trades section, click **Assign Trade**.

3 When the **Loan Trades** tab opens, create a loan trade using the procedure described in "Creating and Managing Loan Trades" on page 168.

- The Security Trade Information section tab will already be populated with information from the **Security Trades** tab.

To Assign a Loan Trade from the Loan Trades Tab:

1 On the **Loan Trades** tab, create a loan trade as described in "Creating and Managing Loan Trades" on page 168.

2 To assign the loan trade to a security trade, in the Security Trade Information section, select a Security ID for the trade from the drop-down list, or enter the Security ID.

- The Assigned Date field will be populated with the current date.

- If you selected the Security ID, the remaining fields on the Details screen will populate from the selected Security Trade.

- If you enter a Security ID for a Security Trade that has not yet been created, a record for the Security trade is created on the Security Trades tab. Open the Security Trade from the Security Trades tab to complete the information described in the *To Create a Security Trade* section above.

To Edit a Security Trade:

1 Click the **Trades** tab, click the **Security Trades** tab, and then double-click a security trade.

2 On the **Details** tab, edit the Trade Info, Dealer, and Pair-Offs sections as needed, and then click the **Save** icon.

To Duplicate a Security Trade:

When you duplicate a trade, information from the Details and Pricing tabs are copied to the new trade. Assigned loans, notes, and history are not copied.

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Select a trade and click the **Duplicate** icon.

- The new trade opens on the **Details** tab.

3 Enter a Security ID for the new trade.

4 Assign eligible loans, and make additional changes to the trade information as required.

5 When finished updating the new security trade, click the **Save** icon.

- The trade is added to the Security Trades list.

To Lock and Unlock a Security Trade:

When you lock a security trade, no loan trades can be assigned to, or removed from, the trade. You can still edit the security trade and save updates to both the security trade and its assigned loan trades.
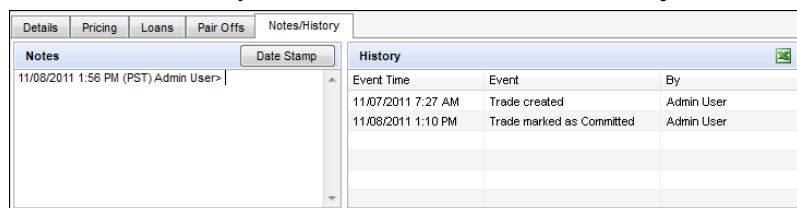
1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Select a trade, and then click **Lock/Unlock**.

3 Click **Yes** in response to the confirmation message.

4 A lock icon displays to the left of the trade on the Trades list.

5 To unlock a trade, select a trade, and then click **Lock/Unlock**.

6 Click **Yes** in response to the confirmation message.

To Archive a Security Trade:

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Select a trade and click **Archive**.

3 Click **Yes** in response to the confirmation message.

4 If the trade status is not Purchased, you will be also be asked to confirm that you want to archive the trade.

5 To view archived trades, select the **Archived Trades** option above the Trades list.

6 To return an archived trade to the Current Trades list, select a trade on the Archived Trades list, click **Move to Current**, and then click **Yes** in response to the confirmation message.

To Add Notes:

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Double-click a security trade, and then click the **Notes/History** tab.

3 Click the **Date Stamp** button, and then enter the required notes.

To Export Selected Security Trade Entries to Excel:

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Select one or more trades.

3 Click the **Exports to Excel** icon.

- Or, on the menu bar, click **Security Trades**, point to **Export Trade to Excel**, and then click **Selected Trades Only**.

To Export All Security Trade Entries to Excel

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 On the menu bar, click **Security Trades**, point to **Export Trade to Excel**, and then click **All Trades on All Pages**.

To View Trade History:

1 Click the **Trades** tab, and then click the **Security Trades** tab.

2 Double-click a security trade, and then click the **Notes/History** tab.

3 The History section displays entries for each trade event.

4 To export the history to a .csv file, click the **Excel** icon.

To Unassign a Loan Trade from a Security Trade:

1 Click the **Trades** tab, click the **Security Trades** tab, and then double-click a security trade.

2 In the Loan trades section, select a loan trade, click the **Unassign** button, and then click **Yes** when the confirmation message displays.

To Customize Your Security Trades View:

When viewing a security trade, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a loan trade.

NOTE: When you export contract entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Access a Security Trade:

Click the **Trades** tab, click the **Security Trades** tab, and then double-click a security trade.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort the Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

Example: Click the Assigned Date column to display loans in chronological order. with the and loans with the highest amounts at the bottom. Click the header again to display the highest amounts at the top.

*NOTE: You can sort loans based on two levels of loan data. For example, on the Pipeline you can sort loans based on the loan amount and the last finished milestone. First, click the **Loan Amount** column header to sort by ascending loan amount. Then, click the **Last Finished Milestone** column header. The loans are sorted by last finished milestone, and the loans within each milestone group are sorted in ascending order by loan amount.*

To Save the View:

• After you have set up the data to your specifications, click the **Save** icon.

Creating and Working with Master Contracts

Use the Master Contracts module to record and track contracts for the delivery of bulk loans. The module tracks key information such as the amount of the contract, the number and value of the trades that have been applied, percent completion, and the total gain/loss.

To Create a Master Contract:

1 On the Trades tab, click the **Master Contracts** button, and then click the **New** icon.

2 In the Master Contract Details section, complete the basic contract information, and then click the **Save** icon.

*TIP: When you click the **Find** icon to the right of the Investor field and select an investor from the Investor Name list, all of the investor's address and contact information is added to the contract and automatically populated to any trades that are subsequently added to the contract.*

To View Contract Details:

1 On the Trades tab, click the **Master Contracts** tab.

2 On the Master Contracts list, select a contract.

• Contract information, including the assigned trades, displays in the Master Contract Details section at the bottom of the screen.

To Sort Contracts:

You can sort contracts based on the information displayed in the columns. Click the column header to sort all contracts in ascending or descending order based on the information in a column.

1 Click a column header to display contracts in ascending order based on the information in the column.

2 Alternately click the header to sort the contracts in descending or ascending order.

To Edit a Contract:

1 On the Master Contracts list, select a contract.

2 Change information in the Master Contract Details section as required and click the **Save** icon.

If you change the Master Contract #, the change will also be made on any trades applied to the contract.

To Archive a Contract:

1 On the Master Contracts list, select a contract and click **Archive**.

2 Click **Yes** in response to the confirmation message.

3 To view archived master contracts, select the **Archived Contracts** option above the Master Contracts list.

4 To return an archived contract to the Current Contracts list, select a contract on the Archived Contracts list, click **Activate**, and then click **Yes** in response to the confirmation message.

To Delete a Contract:

1 On the Master Contracts list, select a contract and click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

  • The reference to the Master Contract # is also removed from any trades that were applied to the contract.

Creating and Working with MBS Pools

Use the MBS Pools tab to create pools and then:

• Allocate security trades to a pool.

• Allocate loans to a pool.

• Assign loans to a pool by importing loan files or entering loan numbers.

Creating MBS Pools

When creating an MBS Pool, you must select whether the pool is for Fannie Mae, Freddie Mac, Ginnie Mae, or Fannie Mae PE. Once you make your selection, the pool's Setup tab provides a set of fields specific to your selected pool type.

To Create an MBS Pool:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Click the **New** icon.

3 Select the type of pool you are creating (i.e., Fannie Mae, Freddie Mac, Ginnie Mae, Fannie Mae PE).
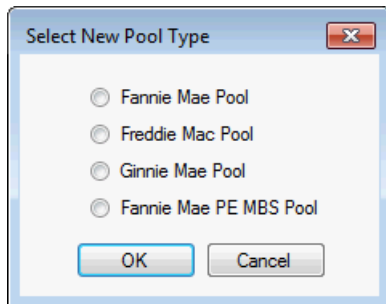
4 Complete the sections on the Details tab.
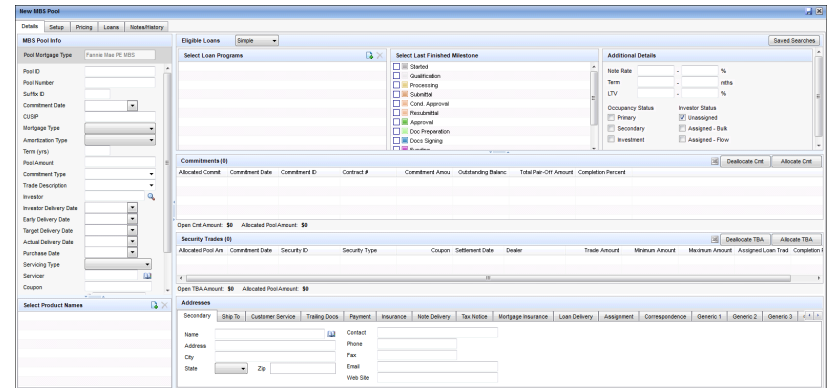
To Complete the MBS Pools Info Section:

1 Type a Pool ID.

  NOTE: This is the only required field and must be unique.

2 Complete the remaining fields as needed.

  • If the Investor template information contains a number in the Delivery Time Frame field, the Investor Delivery Date is calculated by adding that number to the Commitment Date.

  • The Investor Delivery Date is applied to the Secondary Registration and Shipping Details Tools for each loan.

  • To override the calculated Weighted Average Price value, click the Lock icon   and then manually enter a price. This price is also reflected in the Weighted Avg. Price field on the Pricing tab.

  • The Allocated Pool Amount is used to calculate the Weighted Average Price.

Select Product Names

In the Select Product Names section, you can add Fannie Mae loan products to the pool. The available list of products can be managed through the new section, Fannie Mae Product Name Values, in the Trade Management Setup setting.

NOTE: This section only applies to Fannie Mae PE MBS Pools.

Eligible Loans

Use the search criteria to find eligible loans. The Simple search uses predefined criteria. The Advanced search allows you to create your own search criteria.

NOTE: Typically, in a pool, the loans are the same type of program (i.e., Government program or Conventional Fixed/ARM program).

To Save an Advanced Search:

- Click **Advanced Search** on the MBS Pools tab, create your search, and then click the **Save View** icon (next to the MBS Pools View field at the top of the tab).

To View Saved Advanced Searches:

- Click **Saved Searches**.

Security Trades

You can allocate multiple security trades (TBAs) to the pool. In addition, you can allocate all or a portion of the security trade amount to the pool. For information on how to allocate security trades, see "Allocating a Security Trade to a Pool" on page 318.

To Complete the Security Trades Section:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 On the Details tab, in the Security Trades section, click **Allocate TBA**.

4 Select one or more security trades to allocate.

- Or use the Filter section to search for security trades.

5 To allocate all or a portion of the security trade amount, double-click in the Allocated Pool Amount column and enter the amount you want to allocate to the pool.

6 Highlight the security trade rows and then click **Allocate**.

7 A confirmation message displays.

8 Click **Yes** to continue.

9 Click the **Save** icon.

Commitments

In the Commitments section, you can allocate multiple GSE commitments to the pool. In addition, you can allocate all or a portion of the commitment amount to the pool. For information on how to allocate GSE commitments, see "Allocate a GSE Commitment to a Pool" on page 319.

The pool with the allocated GSE Commitments is also displayed in each individual GSE commitment's Fannie Mae PE MBS Pools section on its Details tab.

NOTE: This section only applies to Fannie Mae PE MBS Pools.

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 On the Details tab, in the Commitments section, click **Allocate Cmt**.

4 Select one or more GSE Commitments.

- Or, use the Filter section to search for commitments.

5 To allocate all or a portion of the commitment amount, double-click in the Allocated Commitment Amount column and enter the amount you want to allocate to the pool.

6 Highlight the GSE Commitment rows and then click **Allocate**.

7 A confirmation message displays.

8 Click **Yes** to continue.

9 Click the **Save** icon.

Addresses Section

We highly recommend you enter the contact information in the Addresses section of the Investor template.

To Complete the Addresses Section:

- In the Address section, click the tabs and, if contact information is not already entered, type the contact information.

- Or, click the **Address Book** icon to import the contact information from your business contacts.

NOTE: *If a trade is shipping to an Assignee, enter the Assignee contact information on the Ship To tab.*

5 On the **Setup** tab, complete the fields as needed.

- For a Fannie Mae and Freddie Mac loan, when it is allocated to the pool, the ULDD-related fields on the Setup tab are copied to that loan's Fannie Mae or Freddie Mac ULDD screen.
- The Setup tab for Fannie Mae, Fannie Mae PE, and Freddie Mac pools are identical, while the Ginnie Mae tab displays a different set of fields.

6 On the **Pricing** tab, you can define the range of rates for the loans in your pool by using the Buy Up grid, Buy Down grid, Detailed Pricing Grid, and Pricing Adjustment grid. For Fannie Mae PE MBS Pools, you can display the pricing information for a product by selecting it from the Product drop-down list.

Buy Up Grid and By Down Grid

Use these grids to create Buy Up Ratios within a particular note range in the Detailed Pricing grid or to create Buy Down Ratios within a particular note range in the Detailed Pricing grid. For Fannie Mae PE MBS Pools, you can view the Buy Up and Buy Down grid for a product by selecting it from the Product drop-down list.

To Use the Buy Up Grid:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Buy Up section, click the **Add Buy Up** icon.

5 Enter the GNR Min (Gross Note Rate Minimum), GNR Max (Gross Note Rate Maximum), and Buy Up Ratio.

6 Click **Add Another** and repeat step 2 to add additional buy up ratios to cover the range of rates in the pool.

7 When done, click **OK**.

8 Click the **Save** icon.

9 To delete an entry, select the entry and click the **Delete** icon.

To Use the Buy Down Grid:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Buy Down section, click the **Add Buy Dow**n icon.

5 Enter the GNR Min (Gross Note Rate Minimum), GNR Max (Gross Note Rate Maximum), and Buy Down Ratio.

6 Click **Add Another** and repeat step 2 to add additional buy down ratios to cover the range of rates in the pool.

7 When done, click **OK**.

8 Click the **Save** icon.

9 To delete an entry, select the entry and click the **Delete** icon.

Detailed Pricing Grid

In this grid, you can create base price tables with a range of note rates (in 1/8 increments) and prices for the loans in your pool. For Fannie Mae PE MBS Pools, you can create a detailed pricing grid for a product by selecting it from the Product drop-down list.

The Ginnie Mae Pricing tab is different from the Fannie Mae/Freddie Mac Pricing tab, and does not include the Buy Up and Buy Down grids

To Use the Detailed Pricing Grid:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Detailed Pricing Grid section, click the **Add Pricing** icon.

- For Encompass 17.2 or earlier

  - Enter a Note Rate.

  - The Buy Up, Buy Down, and Excess Servicing are automatically calculated and are read-only when you add the Note Rate.

  - For Fannie Mae PE MBS Pools, a CPA field is displayed. which is mapped from the selected GSE Commitment.

- For Encompass 17.3 or later:

  - Enter a Note Rate.

  - Enter a Servicing Fee.

    NOTE: *The Servicing Fee is mapped from the Fixed Servicing Fee Percent on the Setup tab.*

  - The Guaranty Fee, BU/BD bps, BU Execution, and BD Execution are automatically calculated and are read-only.

5 Click **Add Another** and repeat step 2 to add additional note rates.

6 When done, click **OK**.

7 Click the **Save** icon.

8 To delete an entry, select the entry and click the **Delete** icon.
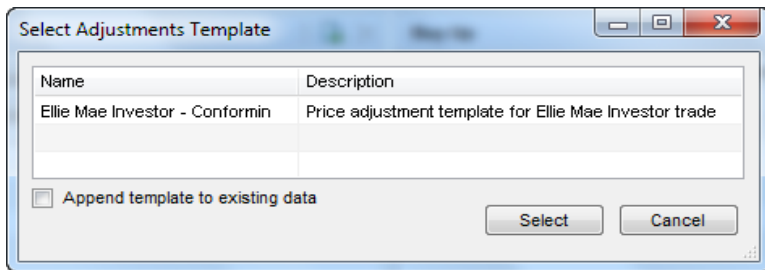
Pricing Adjustment Grid

In this grid, you can create a table of pricing adjustments based on the note rate of each loan. For Fannie Mae PE MBS Pools, you can view the Pricing Adjustments grid for a product by selecting it from the Product drop-down list.

To Add an Adjustment Template:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Template**.

5 Select a template.

6 To add the template data to an existing list of adjustments (instead of replacing the list), select the **Append template to existing data** check box.

7 Click **Select**.

8 Click the **Save** icon.

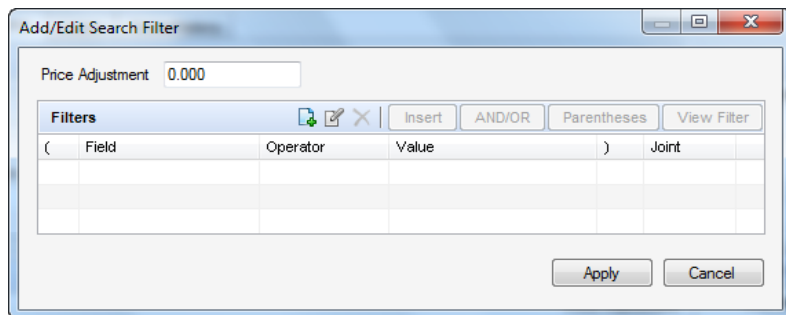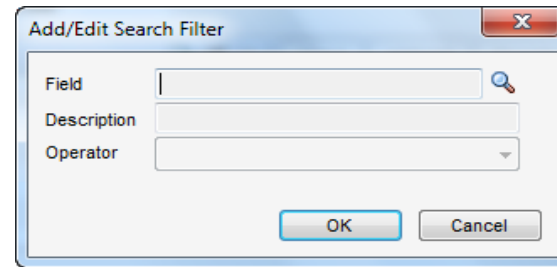**9** To delete a pricing adjustment, select the entry and click the **Delete** icon.

To Add an Adjustment:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Add Adjustment** icon.

5 Enter a percentage value for the price adjustment when the condition is met in the Price Adjustment field.

• If the investor will pay the adjustment amount when the condition is met, enter a positive value. If the investor will receive a discount, enter a negative value.

6 Click the **Add Filter** icon.

7 In the Field field, click the **Find** icon (magnifying glass) to select a field from the list. The list includes a default set of loan fields and any loan fields added to the Reporting Database.

• Or, type one or more characters in the field at the top of the window and click **Find**. The first occurrence of the characters in any column will be found.

8 Select an Operator, enter any required Values, and then click **OK**.

• The Operator and Value define how the field will be used to define the adjustment. For example, Field ID = 1109 (Loan Amount), Operator = Greater than, Value = 250000.

9 For compound filters, use the **AND/OR** button to indicate how the filters are applied. Use **and** when you want all the selected filters to apply to the loans. Use **or** when you want to locate loans that match any of the selected filters.

• Use **Parentheses** to control the order in which the filters are evaluated. Click **Parentheses**, select the filters to group, click the New icon, and then click **OK**.

10 To adjust the price adjustment directly on the Price Adjustment list, click the cell in the Price Adjustment column, and type a percentage value for the adjustment when the condition is met.

• If the investor pays the adjustment amount when the condition is met, enter a positive value. If the investor receives a discount, enter a negative value.

11 Click the **Save** icon.

12 To edit a price adjustment, select an entry, click the **Edit** icon, make your changes, and then click Apply.

13 To delete a pricing adjustment, select the entry and click the **Delete** icon.

MSR

For users that sell service retained loans, use this section to capture MSR by note rate. When **Servicing Type** on the Details tab is "Service Retained", a MSR section is displayed on the Pricing tab.

1 Click on **Add MSR.**

2 In the Add MSR Value Data pop-up window, enter a **Rate** and **Value**.

3 Click **OK** to save our MSR value.

Or

4 Click **Add Another** to add another value.

7 On the **Loans** tab, you can allocate loans to the pool. For more information on allocating loans, see "To Allocate a Loan to a Pool:" on page 319.

8 On the **Notes/History** tab, you can add notes about the MBS Pool and manage your history items.

To Add Notes:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Double-click a pool, and then click the **Notes/History** tab.

3 Click the **Date Stamp** button, and then type the required notes.

4 Click the **Save** icon.

Allocating a Security Trade to a Pool

After creating a pool, you can allocate security trades to the pool.

To Allocate a Security Trade to a Pool:

1 To Allocate a Security Trade to a Pool:

2 Click the **Trades** tab and then the **MBS Pools** tab.

3 Create a new pool or select an existing one.

4 On the Details tab, in the Security Trades section, click **Allocate TBA**.

5 Select one or more security trades to allocate.

- Or use the Filter section to search for security trades.

6 To allocate all or a portion of the security trade amount, double-click in the Allocated Pool Amount column and enter the amount you want to allocate to the pool.

7 Highlight the security trade rows and then click **Allocate**.

8 A confirmation message displays.

9 Click **Yes** to continue.

10 Click the **Save** icon.

Allocate a GSE Commitment to a Pool

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 On the Details tab, in the Commitments section, click **Allocate Cmt**.

4 Select one or more commitments to allocate.

- Or use the Filter section to search for commitments.

5 To allocate all or a portion of the commitment amount, double-click in the Allocated Commitment Amount column and enter the amount you want to allocate to the pool.

6 Highlight the commitment rows and then click **Allocate**.

7 A confirmation message displays.

8 Click **Yes** to continue.

9 Click the **Save** icon.

Allocating a Loan to a Pool

After creating a pool, you can allocate security trades to the pool.

To Allocate a Loan to a Pool:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Loan** tab.

4 Select the **View eligible loans** check box, at the top of the tab, to display a list of loans that are eligible to be added to the pool based on the criteria selected on the Details tab.

- For Encompass 17.2 and later, a correspondent loan with a status of "Withdrawn" (Withdrawn Date is populated on the Correspondent Loan Status tool) will be excluded from the Eligible Loan section.

- For Encompass 17.2 and later, an already allocated correspondent loan with a status of "Withdrawn" will be highlighted in pink and a warning message, "The highlighted loan(s) below have been withdrawn. Please note and take appropriate action." will be displayed.

5 Select one or more loans from the Eligible Loans list, and then click Assign Loans.

- The loans are added to the Currently in MBS Pools list with a status of Assigned – Pending until the pool is saved.

6 When finished with the pool, click the **Save** icon

Assigning a Loan to a Pool

On the **MBS Pools Loans** tab, you can assign loans to a pool by importing a single column CSV file.On the MBS Pools Loans tab, you can assign loans to a pool by manually entering loan numbers.
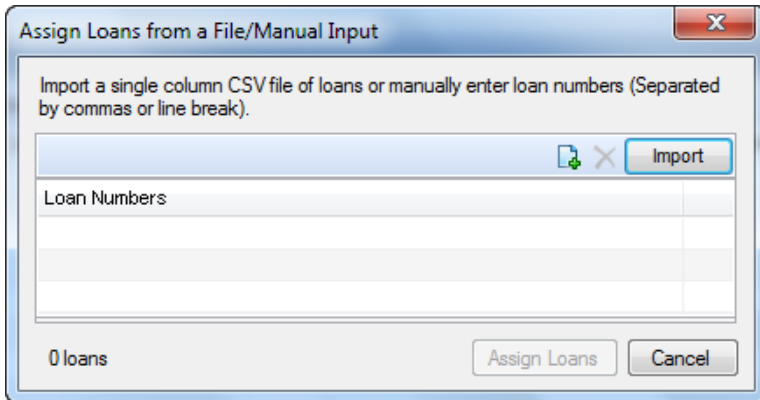
To Assign a Loan to a Pool by Importing a Loan File

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual input** check box, at the top of the tab.
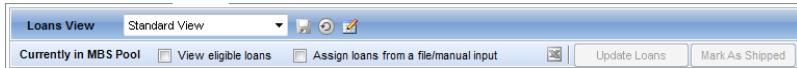

5 Click **Import**.

6 Locate the loan file you want to import, and then click **Open**. The file to be imported must be a single column CSV file with the loan number.

- The loans are added to the Currently in MBS Pools list with a status of Assigned – Pending until the pool is saved.

7 Click the **Save** icon.

To Assign a Loan to a Pool by Entering a Loan Number:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual input** check box, at the top of the tab.

5 Click the **Add Loan Number** icon, and then add the loan numbers for specific loan files.
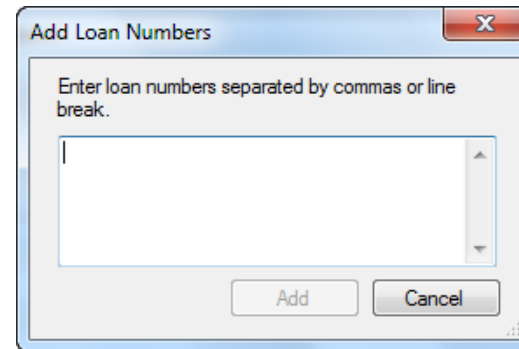
- You can enter loan numbers separated by commas or line breaks.
- You can copy and paste loan numbers.

6 Click the **Save** icon.

Saving the Pool and Updating Loans

After creating a pool, and assigning and allocating loans, save the pool and update the loans.

To Save the Pool and Update Loans:

1 Click the **Save** icon (on the top right of the screen).

2 When asked if you want to update the loan files, click **Yes**.

- When you click **Yes**, the Loan Data Synchronization window displays any loan and pool fields that are not synchronized.
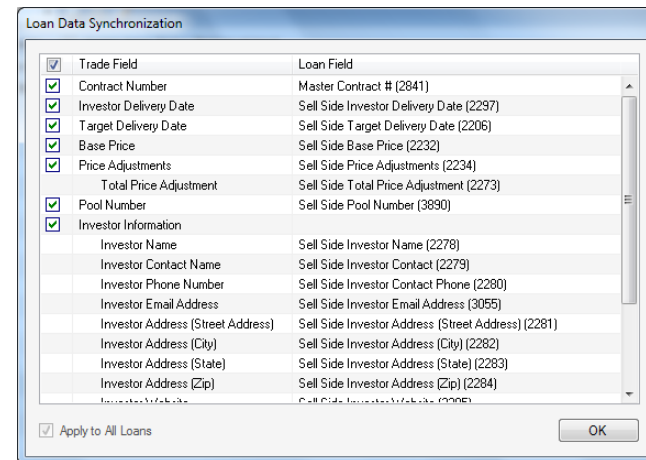
- If a check box is selected, the loan fields will be overwritten by the value entered in the pool field.

- If a check box is cleared, the loan fields will not be synchronized with the pool fields.

- By default, the selected loan fields are updated for all loans, so the **Apply to All Loans** check box at the bottom of the window is disabled.

Updating Multiple Pools in a Queue

The Loan Data Synchronization enables multiple pools to be processed in an update queue that runs in the background. A new icon will be available in the status bar (bottom of the screen, which will open the new Trade Update Queue pop-up window. This window will display the update progress of the selected pools for users with persona access to the Trades tab.

The selections at the top of the pop-up window enable you to filer and display a list of the pools submitted for update.

- **All Jobs** - Displays all jobs across all sessions for all users except completed jobs not submitted by the requester.

- **Show jobs submitted during this Encompass session** - Displays the jobs submitted by the requester.

- **Show jobs submitted by XXX user** - Displays the jobs submitted by the requester across all sessions.

The hyperlinks next to each pool enable you to do the following:

- **Details** - Opens to the pool's **Notes/History** tab and displays the results of the update (number of loans processed, number of successful updates, errors, and number of loans not processed).

- **Clear** - Removes that particular pool from the update queue.

- **Cancel** - If available, cancels the update for that particular pool.

Pools being updated will be assigned a new status of "Pending". When a pending pool is opened, the title header will be red and it will be displayed as read-only (cannot be edited).

About Saving and Updating Pools

- **Using the Save Icon** - When you save a pool using the **Save** icon, you have the option of updating only the pool, or both the pool and its assigned loans. Until you update the assigned loans, the data in the pool will not be synchronized with the data in the loan files.

- **Update Selected Loans and Update All Loans Button**s - Use these buttons on the **Loans** tab to synchronize data in the trade with the assigned loans.

  - **Update Selected Loans** - Updates the loans highlighted in the Loans grid. You must highlight at least one loan to enable this button.

- **Update All Loans** - Updates all loans in the Loans grid.

When an exclamation point displays on the button, it indicates that one or more assigned loans has a Pending status (such as Assigned - Pending). Loans with the following pending statuses will be highlighted in blue:

- Assigned - Pending

- Shipped - Pending

- Purchased - Pending

- Removed - Pending

If a loan is removed from the trade, the loan's status will change to "Removed - Pending". If a loan has a Removed-Pending status during the update process, it will be removed from the Currently in Trade list when the update is completed.

Working with MBS Pools

Use the MBS Pools tab to access, edit, delete, duplicate, lock and unlock, and archive MBS pools, and to export MBS pool entries to Excel. You can also:

- Print MBS pool entries

- View MBS pool history

- Allocate a pool to a security trade

- Unallocate a security trade or loan from a pool

- Unallocate a pool from a security trade

- Customize your MBS pools view

To Access an MBS Pool:

- Click the **Trades** tab, click the **MBS Pools** tab, and then double-click a pool.

- For Encompass 17.2 and later, when the Withdrawn Date is populated on the Correspondent Loan Status tool, and the loan is assigned to an MBS pool, a warning message, "The highlighted entries below contain a loan that has been withdrawn. Please note and take appropriate action." is displayed and any withdrawn loans allocated to a pool is highlighted in pink.

To Edit an MBS Pool:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Double-click a pool.

3 Edit the Details, Setup, Pricing, Loan, and Notes/History tabs as needed.

4 Click the **Save** icon.

Mark Loans as Shipped:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Double-click a pool.

3 Click the **Loans** tab.

4 Select one or more loans from the Currently in Trade list, and then click **Mark as Shipped**.

- The Actual Ship Date field on the Shipping Detail tool is updated with either the Actual Delivery Date on the Details tab or the current date (if the Actual Delivery Date is empty).

- If the Actual Delivery Date on the Details tab is empty, then that field is updated with the current date.

- The status of the loans are changed to Shipped-Pending to indicate that the loans are marked as shipped but not yet updated. When the loan update process is completed, the status changes to Shipped.

Mark Loans as Purchased:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Double-click a pool.

3 Click the **Loans** tab.

4 Select one or more loans from the Currently in Trade list, and then click **Mark as Purchased**.

- The Purchase Advice Date field on the Interim Servicing Worksheet is updated.

- If the purchased date for the loan has not been assigned, you will be prompted to use the current date.

- The status of the loans are changed to Purchased-Pending to indicate that the loans are marked as purchased but not yet updated. When the loan update process is completed, the status changes to Purchased.

To Delete an MBS Pool:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Select a pool and click the **Delete** icon.

3 Click **Yes** in response to the confirmation message.

To Duplicate a MBS Pool or Trade:

When copying a pool or trade, information from the Details and Pricing tabs (except for Pool ID and Weighted Average Price) are copied to the new pool or trade. Assigned loans, notes, and history are not copied.

NOTE: For pools, the Setup tab is also copied.

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Select the pool you want to copy and then click the **Duplicate** icon.

- The new pool opens to the Details tab.

3 Enter a Pool ID for the new pool.

4 Search for and assign eligible loans and make any additional changes to the pool information.

5 When done updating the new pool, click the **Save** icon.

- The new pool is added to the Pools list.

To Lock and Unlock an MBS Pool

When you lock a pool, no loans can be assigned to, or removed from, the pool. You can still edit the pool and save updates to both the pool and its assigned loans.

1 Click the **Trades** tab, and then click the MBS Pools tab.

2 Select a pool, and then click **Lock/Unlock**.

3 Click **Yes** in response to the confirmation message.

- A lock icon displays to the left of the pool on the MBS Pools list.

4 To unlock a trade, select a trade, and then click **Lock/Unlock**.

5 Click **Yes** in response to the confirmation message.

To Archive a MBS Pool:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Select a pool, and then click **Archive**.

3 Click **Yes** in response to the confirmation message.

- If the pool status is not Purchased, you will also be asked to confirm that you want to archive the pool.

4 To view archived pools, select the **Archived Pools** option above the MBS Pools list.

5 To return an archived pool to the Current MBS Pools list, select a pool on the Archived Pool list, click **Move to Current**, and then click **Yes** in response to the confirmation message.

To Export Selected MBS Pool Entries to Excel:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Select one or more pools.

3 Click the **Excel** icon 📊.

- Or, on the menu bar, click the **MBS Pools** menu, point to **Export MBS Pool to Excel**, and then click **Selected MBS Pools Only**.

To Export all MBS Pool Entries to Excel:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Select one or more pools.

3 Click the **Excel** icon.

- Or, on the menu bar, click the **MBS Pools** menu, point to **Export MBS Pool to Excel**, and then click **All MBS Pools on All Pages**.

To Print Entries:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Select one or more pools, and then click the **Print** icon.

To View MBS Pool History:

1 Click the **Trades** tab, and then click the **MBS Pools** tab.

2 Double-click a pool, and then click the **Notes/History** tab

3 The History section displays entries for each pool event.

4 To export the history to a .csv file, click the **Excel** icon.

To Allocate a Pool to a Security Trade:

1 Click the **Trades** tab and then the **Security Trades** tab.

2 Create a new trade or select an existing one.

3 On the Details tab, in the MBS Pools section, click **Allocate Pool**.

MBS Pools (0)						
Allocated Pool Am	Commitment Date	Pool ID	Pool Number	Pool Amount	Amortization Type	Ter

Allocated Pool Amount: $0

4 Select one or more pools to allocate.

- Or use the Filter section to search for pools.

5 To allocate all or a portion of the pool amount, double-click in the Allocated Pool Amount column and enter the amount you want to allocate to the trade.

Allocated Pool ▼	Commitment Date	Pool ID	Pool Number	Pool Amount	Amortization Type	Term
		Pool 001		10,000,000	Fixed	0

6 Highlight the pool rows and then click **Allocate**.

- A confirmation message displays.

7 Click **Yes** to continue.

8 Click the **Save** icon.

Allocate a Fannie Mae PE MBS Pool to a GSE Commitment:

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Create a new commitment or select an existing one.

3 On the Details tab, in the Fannie Mae PE MBS Pools section, click **Allocate Pool**.

Fannie Mae PE MBS Pools (1)							Deallocate Pool	Allocate Pool
Allocated Pool Am	Commitment Date	Pool ID	Pool Number	Pool Amount	Amortization Type	Term		Assigned Amount
		FNMA00001		20,000,000		0		117,000

Allocated Pool Amount: $0

4 Select one or more pools to allocate.

- Or use the Filter section to search for pools.

5 To allocate all or a portion of the pool amount, double-click in the Allocated Pool Amount column and enter the amount you want to allocate to the commitment.

Allocated Pool Am	Commitment Date	Pool ID	Pool Number	Pool Amount	Amortization Type	Term	Assigned Amount
		FNMA00001		20,000,000		0	117,000

6 Highlight the pool rows and then click **Allocate**.

- A confirmation message displays.

7 Click **Yes** to continue.

8 Click the **Save** icon.

To Unallocate a Security Trade from a Pool:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Select one or more security trades from the Security Trades list, and then click **Unallocate TBA**.

- A confirmation message displays.

3 Click **Yes** to continue.

4 Click the **Save** icon.

Unallocate a GSE commitment from a pool:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Select one or more GSE commitments from the Commitments list, and then click **Deallocate Cmt**.

- A confirmation message displays.

3 Click **Yes** to continue.

4 Click the **Save** icon.

To Unallocate a Loan from a Pool:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Select one or more loans from the Currently in MBS Pools list, and then click the **Delete** icon.

- A confirmation message displays.

3 Click **Yes** to continue.

4 Click the **Save** icon.

To Unallocate a Pool from a Security Trade:

1 Click the **Trades** tab and then click the **MBS Pools** tab.

2 Select one or more loans from the MBS Pools list, and then click the **Unallocate Pool**.

- A confirmation message displays.

3 Click **Yes** to continue.

4 Click the **Save** icon.

To Unallocate a Fannie Mae PE MBS Pool from a GSE commitment:

1 Click the **Trades** tab and then click the **GSE Commitments** tab.

2 Select one or more pools from the Fannie Mae PE MBS Pools list, and then click the **Deallocate Pool**.

- A confirmation message displays.

3 Click **Yes** to continue.

4 Click the **Save** icon.

Viewing Pools

You can control the information that displays on the MBS Pools tab by sorting, filtering, and reconfiguring the columns. You can then save the configuration as a custom view, which can be applied to the data at any time from the MBS Pools View drop-down list. You can also apply an additional filter to the pools shown in the MBS Pools View by selecting Current Pools or Archived Pools from the View list.

NOTE: If you select a MBS Pools View that excludes pools with a status of Archived or excludes all pools that do not have a status of Archived, applying the View filter may filter out all loans, causing a blank list to display.

To Customize Your MBS Pools View:

When viewing a MBS Pool, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a pool.

NOTE: When you export contract entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

- The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort the Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

Example: Click the Assigned Date column to display loans in chronological order. with the loans with the highest amounts at the bottom. Click the header again to display the highest amounts at the top.

*NOTE: You can sort loans based on two levels of loan data. For example, on the Pipeline you can sort loans based on the loan amount and the last finished milestone. First, click the **Loan Amount** column header to sort by ascending loan amount. Then, click the **Last Finished Milestone** column header. The loans are sorted by last finished milestone, and the loans within each milestone group are sorted in ascending order by loan amount.*

To Save the View:

• After you have set up the data to your specifications, click the **Save** icon.

Creating and Managing GSE Commitments

The GSE Commitments tab enables multiple commitments to be attached to a Fannie Mae PE MBS pool with multiple guaranty fees. It also allows for multiple products and multiple Buy Up/Buy Down grids. Currently, the MBS Pools tab only accepts one guaranty fee and one Buy Up/Buy Down grid per pool.

To Create a GSE Commitment:

1 Click the **Trades** tab, and then click the **GSE Commitments** tab.

2 Click the **New** icon.

3 Click **OK**.

4 Complete the Details tab.

GSE Commitments Info

Use the GSE Commitment Info fields to enter information about the GSE Commitment.

• The Commitment ID is a required field and must be unique.

Select Product Names

In the Select Product Names section, you can add Fannie Mae loan products to the commitment. The available list of products can be managed through the new section, Fannie Mae Product Name Values, in the Trade Management Setup setting.

Fannie Mae PE MBS Pools

In the Fannie Mae PE MBS Pools section, you can allocate multiple Fannie Mae PE MBS Pools to the commitment. In addition, you can allocate all or a portion of the pool amount to the commitment.

The commitment with the allocated Fannie Mae PE MBS Pools is also displayed in each individual Fannie Mae PE MBS Pool's Commitments section on its Details tab.

To Allocate a Fannie Mae PE MBS Pool:

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Create a new commitment or select an existing one.

3 On the Details tab, in the Fannie Mae PE MBS Pools section, click **Allocate Pool**.

4 Select one or more pools.

• Or, use the Filter section to search for pools.

5 To allocate all or a portion of the pool amount, double-click in the Allocated Pool Amount column and enter the amount you want to allocate to the commitment.

6 Highlight the Fannie Mae PE MBS Pools rows and then click **Allocate**.

• A confirmation message displays.

7 Click **Yes** to continue.

8 Click the **Save** icon.

Pair-Offs

In the Pair-Offs section, you can add and manage Pair-Offs. There is no limit to the number of Pair-Off entries that can be added.

To Add a Pair-Off:

1 Click the **Add** icon.

2 Enter or select the Pair-Off Date.

3 Enter the Trade Amount.

• The Gain/Loss amount is calculated automatically.

5 On the Pricing tab, you can define guaranty fees and the range of rates for the loans in your commitment.
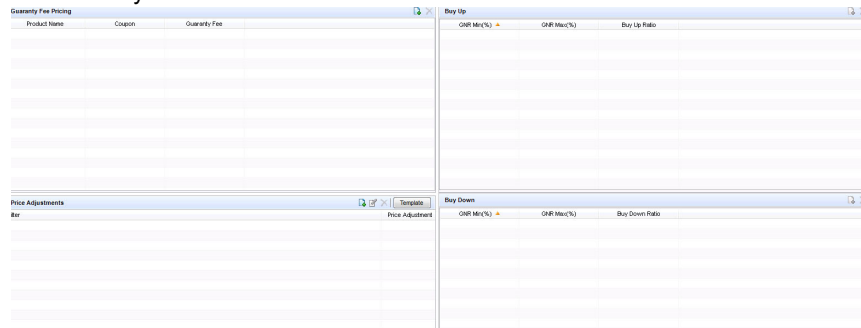
Guaranty Fee Pricing Grid

In the Guaranty Fee Pricing grid, you can add and manage guaranty fees.

1 Click the **Add Guaranty Fee** icon.

2 Select a Product Name.

3 Enter a Coupon.

4 Enter a Guaranty Fee.

5 Enter a CPA.

  NOTE: This field was added in Encompass 17.2.

6 Click **Add Another** and repeat steps 2 through 4 to add additional guaranty fees.

7 When finished, click **OK**.

8 Click the **Save** icon.

9 To delete an entry, select the entry and click the **Delete** icon.

Buy Up Grid

In the Buy Up grid, you can create multiple buy up grids by product.

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Create a new commitment or select an existing one.

3 Click the **Pricing** tab.

4 From the **Select Product for BU and BD Grid** drop-down list, select the product you want to add a buy up grid to.

5 In the Buy Up section, click the **Add Buy Up** icon.
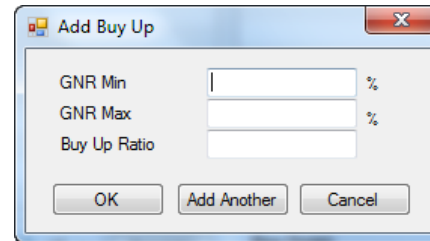
6 Enter the GNR Min (Gross Note Rate Minimum), GNR Max (Gross Note Rate Maximum), and Buy Up Ratio.

7 Click **Add Another** and repeat step 5 to add additional buy up ratios to cover the range of rates in the commitment.

8 When done, click **OK**.

9 Click the **Save** icon.

10 To delete an entry, select the entry and click the **Delete** icon.

Buy Down Grid

In the Buy Down grid, you can create multiple buy down grids by product.

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Create a new commitment or select an existing one.

3 Click on the **Pricing** tab.

4 From the **Select Product for BU and BD Grid** drop-down list, select the product you want to add a buy down grid to.

5 In the Buy Down section, click the **Add Buy Down** icon.
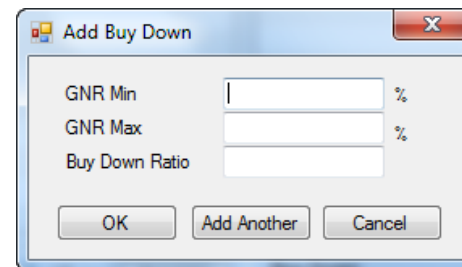
6 Enter the GNR Min (Gross Note Rate Minimum), GNR Max (Gross Note Rate Maximum), and Buy Down Ratio.

7 Click **Add Another** and repeat step 5 to add additional buy down ratios to cover the range of rates in the pool.
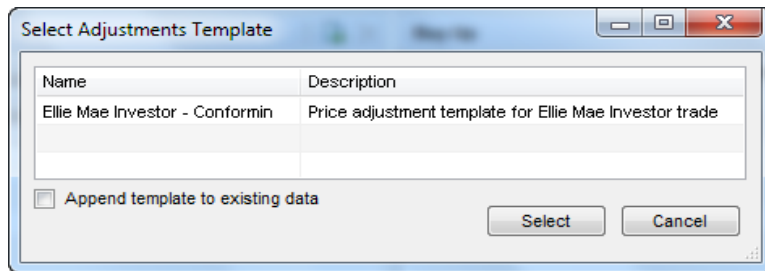
8 When done, click **OK**.

9 Click the **Save** icon.

10 To delete an entry, select the entry and click the **Delete** icon.

Pricing Adjustment Grid

In this grid, you can create a table of pricing adjustments based on the note rate of each loan. For Fannie Mae PE MBS Pools, you can view the Pricing Adjustments grid for a product by selecting it from the Product drop-down list.

To Add an Adjustment Template:

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Create a new commitment or select an existing one.

3 Click on the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Template**.

5 Select a template.

6 To add the template data to an existing list of adjustments (instead of replacing the list), select the **Append template to existing data** check box.

7 Click **Select**.

8 Click the **Save** icon.

9 To delete a pricing adjustment, select the entry and click the **Delete** icon.

To Add an Adjustment:

1 Click the **Trades** tab and then the **MBS Pools** tab.

2 Create a new pool or select an existing one.

3 Click on the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Add Adjustment** icon.

5 Enter a percentage value for the price adjustment when the condition is met in the Price Adjustment field.

• If the investor will pay the adjustment amount when the condition is met, enter a positive value. If the investor will receive a discount, enter a negative value.

6 Click the **Add Filter** icon.

7 In the Field field, click the **Find** icon to select a field from the list. The list includes a default set of loan fields and any loan fields added to the Reporting Database.

• Or, type one or more characters in the field at the top of the window and click **Find**. The first occurrence of the characters in any column will be found.

8 Select an Operator, enter any required Values, and then click **OK**.

• The Operator and Value define how the field will be used to define the adjustment. For example, Field ID = **1109** (Loan Amount), Operator = **Greater than**, Value = **250000**.

9 For compound filters, use the **AND/OR** button to indicate how the filters are applied. Use **and** when you want all the selected filters to apply to the loans. Use **or** when you want to locate loans that match any of the selected filters.

- Use **Parentheses** to control the order in which the filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

10 To adjust the price adjustment directly on the Price Adjustment list, click the cell in the Price Adjustment column, and type a percentage value for the adjustment when the condition is met.

- If the investor pays the adjustment amount when the condition is met, enter a positive value. If the investor receives a discount, enter a negative value.

11 Click the **Save** icon.

12 To edit a price adjustment, select an entry, click the **Edit** icon, make your changes, and then click **Apply**.

13 To delete a pricing adjustment, select the entry and click the **Delete** icon.

6 On the Loans tab, you can you can view the loans attached to the Fannie Mae PE MBS Pool that is allocated to the GSE Commitment.

7 On the Notes/History tab, you can add notes about the MBS Pool and manage your history items.

To Add a Note:

1 Click the **Trades** tab and then the **GSE Commitments** tab.

2 Double-click a commitment, and then click the **Notes/History** tab.

3 Click the **Date Stamp** button, and then type the required notes.

4 Click the **Save** icon.

Saving the Commitment and Update Loans

After creating a commitment, and assigning and allocating loans, save the commitment and update the loans.

To Save the Commitment and Update Loans:

1 Click the **Save** icon (on the top right of the screen).

2 When asked if you want to update the loan files, click **Yes**.

- When you click **Yes**, the Loan Data Synchronization window displays any loan and commitment fields that are not synchronized.

- If a check box is selected, the loan fields will be overwritten by the value entered in the commitment field.

- If a check box is cleared, the loan fields will not be synchronized with the commitment fields.

- By default, the selected loan fields are updated for all loans, so the **Apply to All Loans** check box at the bottom of the window is disabled.

About Saving and Updating Commitments

Using the Save Icon - When you save a commitment using the **Save** icon, you have the option of updating only the commitment, or both the commitment and its assigned loans. Until you update the assigned loans, the data in the commitment will not be synchronized with the data in the loan files.

Update Loans Button - Use the **Update Loans** button on the **Loans** tab to synchronize data in the commitment with the assigned loans. When an exclamation point displays on the button, it indicates that one or more assigned loans has a Pending status (such as Assigned - Pending).

Working with GSE Commitments

Viewing Commitments

You can control the information that displays on the GSE Commitments tab by sorting, filtering, and reconfiguring the columns. You can then save the configuration as a custom view, which can be applied to the data at any time from the Commitments View drop-down list. You can also apply an additional filter to the commitments shown in the Commitments View by selecting Current Commitments View or Archived Commitments from the View list.

NOTE: If you select a Commitments View that excludes commitments with a status of Archived or excludes all commitments that do not have a status of Archived, applying the View filter may filter out all commitments, causing a blank list to display.

To Access a GSE Commitment:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab, and then double-click a commitment.

To Edit a GSE Commitment:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Double-click a commitment.

4 Edit the Details, Pricing, and Notes/History tabs as needed.

5 Click the **Save** icon.

To Delete a GSE Commitment:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Select a commitment and click the **Delete** icon.

4 Click **Yes** in response to the confirmation message.

To Duplicate a GSE Commitment:

When copying a commitment, the Commitment Amount and Trade Description from the Details tab and the Pricing tab are copied to the new commitment. Assigned loans, notes, and history are not copied.

1 Click the **Trades** tab and then click the **GSE Commitments** tab.

2 Select the commitment you want to copy and then click the **Duplicate** icon.

  • The new commitment opens to the Details tab.

3 Enter a Commitment ID for the new commitment.

4 Make your changes to the commitment information.

5 When done updating the new commitment, click the **Save** icon.

  • The new commitment is added to the Commitments list.

To Archive a GSE Commitment:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Select a commitment, and then click **Archive**.

4 Click **Yes** in response to the confirmation message.

  • If the commitment status is not Purchased, you will also be asked to confirm that you want to archive the commitment.

5 To view archived commitments, select the **Archived Commitments** option above the Commitments list.

6 To return an archived commitment to the Current Commitments list, select a commitment on the Archived Commitment list, click **Move to Current**, and then click **Yes** in response to the confirmation message.

To Export Selected GSE Commitment Entries to Excel:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Select one or more commitments.

4 Click the **Excel** icon.

  • Or, on the menu bar, click the **GSE Commitments** menu, point to **Export GSE Commitment to Excel**, and then click **Selected GSE Commitment Only**.

To Export All GSE Commitment Entries to Excel:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Select one or more commitments.

4 Click the **Excel** icon.

  • Or, on the menu bar, click the **GSE Commitments** menu, point to **Export GSE Commitment to Excel**, and then click **All GSE Commitment on All Pages**.

To Print Entries:

1 Click the **Trades** tab.

2 Click the **Commitments** tab.

3 Select one or more commitments, and then click the **Print** icon.

To View GSE Commitment History:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Double-click a commitment, and then click the **Notes/History** tab.

  • The History section displays entries for each commitment event.

4 To export the history to a .csv file, click the **Excel** icon.

To Allocate a GSE Commitment to a Fannie Mae PE MBS Pool:

1 Click the **Trades** tab.

2 Click the **MBS Pools** tab.

3 Create a new Fannie Mae PE MBS Pool or select an existing one.

4 On the Details tab, in the MBS Pools section, click **Allocate Pool**.

5 Select one or more commitments to allocate.

  • Or use the Filter section to search for commitments.

6 To allocate all or a portion of the commitment amount, double-click in the Allocated Commitment Amount column and enter the amount you want to allocate to the pool.

7 Highlight the commitment rows and then click **Allocate**.

  • A confirmation message displays.

8 Click **Yes** to continue.

9 Click the **Save** icon.

To Unallocate a GSE Commitment from a Pool:

1 Click the **Trades** tab.

2 Click the **MBS Pools** tab.

3 Select one or more commitments from the Commitments list, and then click **Deallocate Cmt**.

- A confirmation message displays.

4 Click **Yes** to continue.

5 Click the **Save** icon.

To Unallocate a Fannie Mae PE MBS Pool from a GSE Commitment:

1 Click the **Trades** tab.

2 Click the **GSE Commitments** tab.

3 Select one or more pools from the Fannie Mae PE MBS Pools list, and then click **Deallocate Pool**.

- A confirmation message displays.

4 Click **Yes** to continue.

5 Click the **Save** icon.

Customizing Your Commitments View

When viewing a GSE Commitment, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a commitment.

NOTE: When you export commitment entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

- The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort the Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

Example: Click the **Assigned Date** column to display loans in chronological order. Click the header again to reverse the order of assigned dates.

*NOTE: You can sort loans based on two levels of loan data. For example, on the Pipeline you can sort loans based on the loan amount and the last finished milestone. First, click the **Loan Amount** column header to sort by ascending loan amount. Then, click the **Last Finished Milestone** column header. The loans are sorted by last finished milestone, and the loans within each milestone group are sorted in ascending order by loan amount.*

To Save the View:

After you have set up the data to your specifications, click the **Save** icon.

Creating and Managing Correspondent Trades

Use the Correspondent Trades tab to create trades and then:

- Allocate loans to a trade.
- Assign loans to a trade by importing loan files or entering loan numbers

To Auto Generate Correspondent Trades When New Individual Lock Submitted Via Encompass or TPO WebCenter:

To automate the correspondent trade process, a correspondent trade can be automatically created when a new individual loan is locked via Encompass or TPO WebCenter.

*NOTE: To use this feature, your system administrator must select the **Enable Auto-create of Correspondent Trades for Individual Delivery Type** setting on the Trade Management Setup screen under the Encompass Settings.*

- The loan number is used as the correspondent trade's commitment number if the loan is submitted via Encompass.
- The loan number is used as the correspondent trade's commitment number if auto create correspondent trade commitment numbers is disabled and the loan is submitted via TPO WebCenter.
- The loan lock date is used as the commitment date.
- The Individual Best Efforts delivery type is used as the Best Efforts commitment type.

- The Individual Mandatory delivery type is used as the Mandatory commitment type.
- The Individual Best Efforts delivery type is used as the Best Efforts delivery type.
- The Individual Mandatory delivery type is used as the Mandatory delivery type.
- The loan amount is used as the trade amount.
- The tolerance is empty unless a correspondent master commitment is assigned.
- The note rate is added to a note rate range (e.g., 4.0% - 4.0%).
- The lock expiration date is used as the expiration date.

The individual loan is automatically assigned to the newly created correspondent trade.

Two Lock Confirmed log entries are generated during the process. One for when the correspondent trade is created and the other when the loan is assigned to the trade.

To Create a Correspondent Trade:

When creating a correspondent trade, you must select a Third Party Originator (TPO) and then select a Commitment Type. Once you make your selections, the trade's Details tab is displayed.

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Click the **New** icon.

3 Select a TPO using the Lookup (magnifying glass) icon.
- Click the **Lookup** icon.

- On the Third Party Originator Selector screen, select a TPO.
- Click **Select**.
- The TPO Info section is completed.

4 Select a Commitment Type.
- In Encompass 17.2 and later:
  - The Commitment Type options provided here (Mandatory and/or Best Efforts) are determined by the settings that were configured for the TPO who originated the loan by the administrator. The administrator uses the Commitments tab in the TPO's Company Details window to manage these Commitment Type options.

- Only one Commitment Type can be selected, regardless of whether both options are available.

  NOTE: If only one option is available, that option is automatically selected for the correspondent trade.

- In Encompass 17.3 and later:

  - When **Best Efforts** on the Company Details Commitments tab and **Allow Best Efforts for Correspondent Trades** on the Trade Management Setup setting are enabled, the **Best Efforts** commitment type is enabled on the New Correspondent Trade pop-up screen.

    - If the **Best Efforts** commitment type is selected, the Commitment Type on the Correspondent Trades Details tab will be set to "Best Efforts".

  - When **Best Efforts** on the Company Details Commitments tab or A**llow Best Efforts for Correspondent Trades** on the Trade Management Setup setting is disabled, the **Best Efforts** commitment type is disabled on the New Correspondent Trade pop-up screen.

  - When **Mandatory** on the Company Details Commitments tab is enabled, the **Mandatory** commitment type is enabled on the New Correspondent Trade pop-up screen.

  - If the **Mandatory** commitment type is selected, the Commitment Type on the Correspondent Trades Details tab will be set to "Mandatory".

    - When Mandatory on the Company Details Commitments tab is disabled, the Mandatory commitment type is disabled on the New Correspondent Trade pop-up screen.

5 Click **OK**.

6 Complete the Correspondent Trade, AOT Information, Eligible Loans, and Pair-Offs sections.

Correspondent Trade

1 Type a unique Commitment #.

- If the Auto Loan Numbering option has been enabled in Encompass Settings, Encompass automatically numbers the correspondent trade and this field is read-only. The system-generated commitment number is displayed when the trade is saved.

  NOTE: If the commitment number reaches the maximum number of 18 digits, a warning is displayed, and your system administrator must go to Encompass Settings and adjust the Auto Correspondent Trades Numbering Starting Number value.

- If the **Lock** icon is unlocked (blue), the commitment number cannot be edited.

- If the commitment number is edited and there are no loans assigned to the trade, when you save the trade your changes are saved.

- If the commitment number is edited and there are loans assigned to the trade, when you save the trade the loans files are updated and your changes are saved.

- If the **Lock i**con is locked (yellow), the commitment number can be edited.

- If the correspondent master commitment Available Amount is less than the correspondent trade Trade Amount and an individual delivery type (Mandatory or Best Efforts) is locked and confirmed:

- The correspondent trade is automatically created without being assigned to the correspondent master commitment if the Commitment Type for the TPO who originated the loan is Limited for either Mandatory or Best Efforts on the Commitments tab in the TPO's Company Details window.

- The correspondent trade is automatically created and assigned to the correspondent master commitment if the Commitment Type for the TPO who originated the loan is Unlimited for Individual Best Efforts on the Commitments tab in the TPO's Company Details window.

- If a correspondent loan is locked with the same commitment number as a previously auto created correspondent trade, an extension is added to the commitment number of the newly created correspondent trade.

  For example, if the commitment number of the first auto created correspondent trade is 1503EM00005, then the commitment number of the second auto created correspondent trade is 1503EM00005(1)

2 Select a Master Commitment #, if applicable.

- If the Correspondent Masters tab has been enabled in your Encompass Settings, you can select a Master Commitment #.

- Otherwise, N/A is the only available option.

- If the Correspondent Masters tab is enabled, and a Master Commitment # is not selected, a warning message is displayed.
- If you select **Yes**, the correspondent trade is saved.
- If you select **No**, you are returned to the Correspondent Trade screen.

3 Select a Delivery Type.

- The Delivery Type options provided here are based on the accepted delivery types that were configured for the TPO who originated the loan by the administrator. The administrator uses the Commitments tab in the TPO's Company Details window to manage these Delivery Type options
- If a Master Commitment # is selected, the delivery type options are updated based on the delivery types and tolerance for the selected correspondent master commitment.

4 Complete the remaining required fields: Commitment Date, Trade Amount, Tolerance %, Expiration Date, and Delivery Expiration Date.

5 Complete the remaining fields as needed.

- If the correspondent trade has an associated correspondent master commitment, the correspondent trade Trade Amount cannot be greater than the correspondent master commitment Available Amount.
- If the Trade Amount is greater than the Available Amount, an error message is displayed.
- The correspondent trade is automatically created without being assigned to the correspondent master commitment if the Commitment Type for the TPO who originated the loan is Limited for either Mandatory or Best Efforts on the Commitments tab in the TPO's Company Details window.
- If a Master Commitment # is selected, the tolerance % from the correspondent master commitment, based on the delivery type, is copied to the Tolerance % field.
- In Encompass 17.2 and later, you can determine the Weighted Average Bulk Price (WABP).
- To enable the system to calculate the WABP, the lock icon must be unlocked.
- The Delivery Type must be "Bulk".
- If the WABP is calculated, it will include all the total prices of loans that are allocated to the trade.
- To manually enter the WABP, the lock icon must be locked.
- The Delivery Type must be "Bulk".

- When you enter a price, that price is mapped to the total price for each loan allocated to the trade. When you allocate a loan to the trade, the import file will only import a single column of loan numbers or manually entered loan numbers.

    NOTE: *You cannot allocate a loan to a trade with a blank price in the manually entered WABP.*

- If the correspondent trade has an associated correspondent master commitment, the Delivery Expiration Date is calculated by adding the master commitment Delivery Days to the correspondent trade Expiration Date.

    For example, if the Expiration Date is 03/10/2015 and the correspondent master commitment Delivery Days is 2 (for the appropriate delivery type), the Delivery Expiration Date is 03/12/2015 because 2 days are added to the Expiration Date.

6 Click the **Save** icon.

- If changes are made to the Commitment Date, Delivery Type, Expiration Date, or Delivery Expiration Date, then, when the trade is saved, a pop-up notification is displayed that enables you to update the loan files associated with the trade.

AOT Information

If a dealer is associated with the correspondent trade, enter the dealer's information on this tab.

Eligible Loans

Use the search criteria to find eligible loans. The Simple search uses predefined criteria. The Advanced search allows you to create your own search criteria.

- The Milestone section functions the same as for Loan Trades.
- To save an advanced search, click Advanced Search on the Correspondent Trades tab, create your search, and then click the Save View icon (next to the Correspondent Trades View field at the top of the tab).
- To view saved advanced searches, click Saved Searches.

Select EPPS Loan Programs

In this section, specify the EPPS loan programs associated with this trade so loan program eligibility and loan pricing can be run through EPPS.

NOTE: This section was added in Encompass 17.3.

1 Click on the **Add** icon.

2 Highlight the programs you want to add.

- The list of available loan programs is managed via the **EPPS Loan Program Table** setting under Secondary Setup.

- You can select multiple programs by holding the Shift or Ctrl button.

3 Click **Add**.

To delete a program, select the program and click the **Delete** icon.

Pair-Offs

1 To record a short delivery, select an entry on the Pair-Offs table and then click the **Edit** icon.

- Or double-click an entry.

2 Select or type a Pair-Off Date (the date the pair off occurred).

3 In the Trade Amount field, type the amount of the trade to which the Pair-Off fee applies.

4 In the Pair-Off Fee field, type the Pair-Off fee percentage.

- The Gain/Loss amount is calculated.

5 Enter up to four Pair-Offs as needed.

6 Click the **Save** icon.

7 On the Pricing tab, you can define the range of rates for the loans in your trade using the Base Price Grid, apply price adjustments, and apply SRPs and SRP adjustments.

NOTE: This tab is not displayed if the Delivery Type (on the Details tab) for the trade is Individual Best Efforts or Individual Mandatory.

Base Price Grid

In this grid, you can create base price tables with a range of note rates and prices for the loans in your trade.
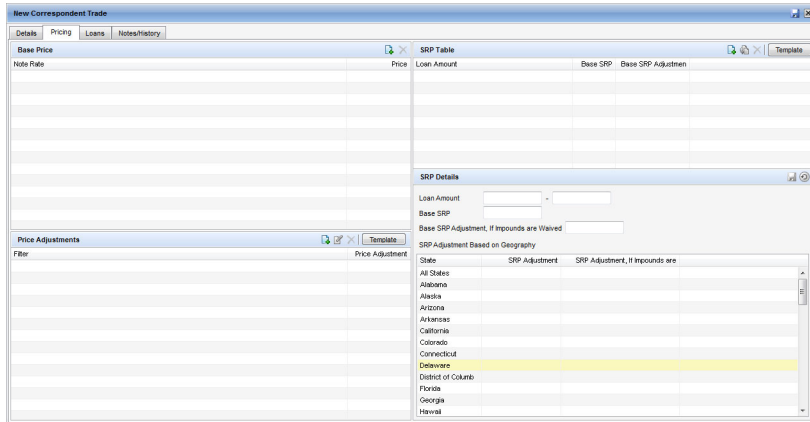
1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Pricing** tab.

4 In the Base Price Grid section, click the **Add Pricing** icon.

5 Enter a Rate.

6 Enter a Price.

NOTE: The price must be greater than or equal to 0 but less than 1000.

7 Click **Add Another** and repeat steps 5 and 6 to add additional note rates and prices.

8 When done, click **OK**.

9 Click the Save **icon**.

To delete an entry, select the entry and click the **Delete** icon.

Pricing Adjustment Grid

In this grid, you can create a table of pricing adjustments based on the note rate of each loan.

To Add an Adjustment Template:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Template** button.

5 Select a template.

6 To add the template data to an existing list of adjustments (instead of replacing the list), select the **Append template to existing data** check box.

7 Click **Select**.

8 Click the **Save** icon.

To delete a pricing adjustment, select the entry and click the **Delete** icon.

To Add an Adjustment:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click on the **Pricing** tab.

4 In the Pricing Adjustment section, click the **Add Adjustment** icon.

5 Enter a percentage value for the price adjustment when the condition is met in the Price Adjustment field.

- If the investor will pay the adjustment amount when the condition is met, enter a positive value. If the investor will receive a discount, enter a negative value.

6 Click the **Add Filter** icon.

7 In the Field field, click the **Lookup** icon to select a field from the list. The list includes a default set of loan fields and any loan fields added to the Reporting Database.

- Or, type one or more characters in the field at the top of the window and click **Find**. The first occurrence of the characters in any column will be found.

8 Select an Operator, enter any required Values, and then click **OK**.

- The Operator and Value define how the field will be used to define the adjustment. For example, Field ID = **1109** (Loan Amount), Operator = **Greater than**, Value = **250000**.

9 For compound filters, use the **AND/OR** button to indicate how the filters are applied. Use **and** when you want all the selected filters to apply to the loans. Use **or** when you want to locate loans that match any of the selected filters.

- Use **Parentheses** to control the order in which the filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

10 To adjust the price adjustment directly on the Price Adjustment list, click the cell in the Price Adjustment column, and type a percentage value for the adjustment when the condition is met.

- If the investor pays the adjustment amount when the condition is met, enter a positive value. If the investor receives a discount, enter a negative value.

11 Click the **Save** icon.

To edit a price adjustment, select an entry, click the **Edit** icon, make your changes, and then click Apply.

To delete a pricing adjustment, select the entry and click the **Delete** icon

Adjustments to PPE:

Select this check box to obtain Loan-Level Price Adjustments (LLPAs) from EPPS and get the desired loan pricing for correspondent trades.

NOTE: This check box is available in Encompass 17.3 and later.

The check box will be displayed when:

- the trade is a correspondent trade with a Delivery Type of AOT, Direct Trade, or Forwards.
- the Encompass Product and Pricing Service is selected as the product and pricing provider on the Product and Pricing setting under Secondary Setup.
- the L**oan Eligibility to Correspondent Trade** setting is selected on the Trade Management Setup setting under Secondary Setup.

The check box cannot be selected if there are no entries selected in the Select EPPS Loan Programs section on the Details tab.

If the trade is saved, the **Adjustments from PPE** is selected, and there are entries in the Pricing Adjustments section, you will be prompted to clear the entries.

SRP Table Grid

You can apply SRPs and SRP adjustments from a template and/or create them manually. When you apply a template, the template data will replace the current data in the SRP Table.

To Add an SRP Template:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click on the **Pricing** tab.

4 In the SRP Table section, click the **Template** button.

5 Select a template and click **Select**.

6 Click the **Save** icon.

To delete an SRP, select the entry and click the **Delete** icon.

To Add New SRP Data:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click on the **Pricing** tab.

4 In the SRP Table section, click the **Add Item** icon.

5 In the SRP Details section, enter a minimum and maximum Loan Amount to establish the range that the Base SRP and adjustments will apply to.

6 Type the Base SRP value, as a percent of the loan.

7 Type the Base SRP Adjustment, If Impounds are Waived percent for loans whose escrow has been waived. This is typically a negative value. This adjustment percent is added to the Base SRP value for loans whose escrow has been waived.

*NOTE: To waive a loan's escrow, select the **Escrow will be waived** check box located on the Loans tab of the Secondary Registration tool.*

8 If additional adjustments are required for specific locations:

- Select a location in the State column in State from the SRP Adjustment Based on Geography list.

- Click the SRP Adjustment field to the right of the location and type the adjustment percent. This adjustment percent is added to the Base SRP value for loans on properties in the selected location.

- Click the **SRP Adjustment, If Impounds are Waived** field to the right of the location and type the adjustment percent. This adjustment percent is added to the Base SRP value for loans on properties in the selected location whose escrow has been waived.

- Select and add additional location-specific adjustments as required.

9 When finished entering SRP values for the range, click the **Save** icon in the SRP Details section.

SRP from PPE:

Select this check box to obtain Service Release Premiums (SRPs) from EPPS and get the desired loan pricing for correspondent trades.

NOTE: This check box is available in Encompass 17.3 and later.

The check box will be displayed when:

- The trade is a correspondent trade with a Delivery Type of AOT, Direct Trade, or Forwards.

- The Encompass Product and Pricing Service is selected as the product and pricing provider on the Product and Pricing setting under Secondary Setup.

- The **Loan Eligibility to Correspondent Trade** setting is selected on the Trade Management Setup setting under Secondary Setup.

The check box cannot be selected if there are no entries selected in the Select EPPS Loan Programs section on the Details tab.

If the trade is saved, the **SRP from PPE** is selected, and there are entries in the SRP Details section, you will be prompted to clear the entries.

8 On the Loans tab, you can allocate loans to the trade. For more information on allocating loans, see the "To Allocate a Loan to a Trade" section below.

9 On the Notes/History tab, you can add notes about the correspondent trade and manage your history items.

To Add Notes:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Double-click a trade, and then click the **Notes/History** tab.
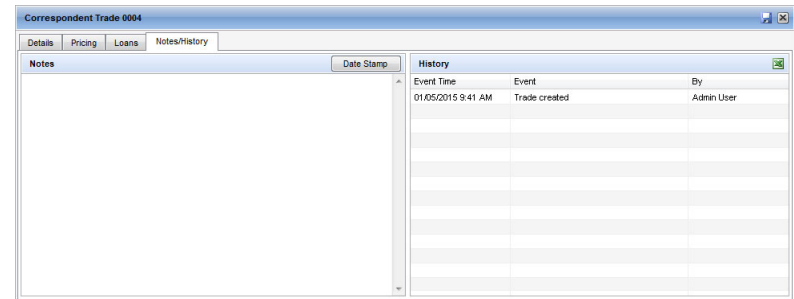
3 Click the **Date Stamp** button, and then type the required notes.

4 Click the **Save** icon.

To Allocate a Loan to a Trade:

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click on the **Loans** tab.
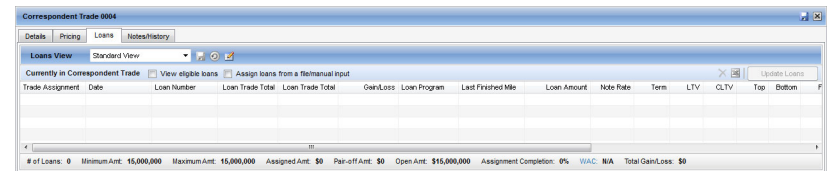
4 Select the **View eligible loans** check box, at the top of the tab, to display a list of loans, created by the corresponding TPO, that are eligible to be added to the trade.

- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only one loan can be allocated to the trade.

  - If a loan is already allocated to the correspondent trade, no other loans can be allocated to the trade.

- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only loans that are locked and confirmed can be allocated to the trade.

- In Encompass 17.2 and later, a correspondent loan with a status of "Withdrawn" (**Withdrawn Date** (field ID 4120) is populated on the Correspondent Loan Status tool) will be excluded from the Eligible Loans list.

- In Encompass 17.4 and later, a correspondent loan with a status of "Voided" (**Voided Date** (field ID 408) is populated on the Correspondent Loan Status tool) will be excluded from the Eligible Loans list.

5 Select one or more loans from the Eligible Loans list, and then click **Assign Loans**.

- The loans are added to the Currently in Correspondent Trade list with a status of Assigned – Pending until the trade is saved.

6 When finished with the trade, click the **Save** icon.

- If the Assigned Amount for the loan or loans being added is greater than the Maximum Amount for the trade, the loan or loans cannot be allocated to the trade.

To Assign a Loan to a Trade by Importing a Loan File:

On the Correspondent Trades Loans tab, you can assign loans to a trade by importing a single column Excel (CSV) file.

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual input** check box, at the top of the tab.

- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only one loan can be allocated to the trade.
  - If a loan is already allocated to the correspondent trade, no other loans can be allocated to the trade.
- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only loans that are locked and confirmed can be allocated to the trade.
- In Encompass 17.4 and later, if a voided loan is added to the trade, a message is displayed that states the voided loan could not be allocated to the trade.

5 Click **Import**.

6 Locate the loan file you want to import, and then click Open. The file to be imported must be a single column CSV file with the loan number.

- The loans are added to the Currently in Correspondent Trades list with a status of Assigned – Pending until the trade is saved.

7 Click the **Save** icon.

- If the Assigned Amount for the loan or loans being added is greater than the Maximum Amount for the trade, the loan or loans cannot be allocated to the trade.

To Assign a Loan to a Trade by Entering a Loan Number:

On the Correspondent Trades Loans tab, you can assign loans to a trade by manually entering loan numbers.

1 Click the **Trades** tab and then the **Correspondent Trades** tab.

2 Create a new trade or select an existing one.

3 Click the **Loans** tab.

4 Select the **Assign Loans from a file/manual** input check box, at the top of the tab.

- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only one loan can be allocated to the trade.
  - If a loan is already allocated to the correspondent trade, no other loans can be allocated to the trade.
- If the Delivery Type for the correspondent trade is either **Individual Best Efforts** or **Individual Mandatory**, then only loans that are locked and confirmed can be allocated to the trade.
- In Encompass 17.4 and later, if a voided loan is added to the trade, a message is displayed that states the voided loan could not be allocated to the trade.

5 Click the **Add Loan Number** icon, and then add the loan numbers for specific loan files.

- You can enter loan numbers separated by commas or line breaks.
- You can copy and paste loan numbers.

6 Click the **Save** icon.

- The loans are added to the Currently in Correspondent Trade list with a status of Assigned – Pending until the trade is saved.
- If the loan or loans are not from the Correspondent channel or are from a different TPO, the loan or loans cannot be allocated to the trade.
- If the Assigned Amount for the loan or loans being added is greater than the Maximum Amount for the trade, the loan or loans cannot be allocated to the trade.

Allocating Loans for Bulk Delivery

In Encompass 17.2 and later, when the **Bulk Delivery** check box is selected and the WABP is calculated (not manually entered), and a user selects the **Assign loans by file/manual input** check box on the Loans tab, the Assign Loans from a File/Manual Input pop-up screen now supports the ability to enter a loan number and total price, separated by a comma (i.e., loan number,total price).

- Click the **Add** icon to manually enter or paste one loan number and total price, separated by commas, per row.

- Click the **Import** button to import a CSV file with one loan number and total price, separated by commas, per row.

To Save the Trade and Update Loans:

1 Click the **Save** icon (on the top right of the screen).

2 When asked if you want to update the loan files, click **Yes**.

   Updating Multiple Trades in a Queue

   The Loan Data Synchronization enables multiple trades to be processed in an update queue that runs in the background. A new icon will be available in the status bar (bottom of the screen, which will open the new Trade Update Queue pop-up window. This window will display the update progress of the selected trades for users with persona access to the Trades tab.

   The selections at the top of the pop-up window enable you to filer and display a list of the trades submitted for update.

   - **All Jobs** - Displays all jobs across all sessions for all users except completed jobs not submitted by the requester.

   - **Show jobs submitted during this Encompass session** - Displays the jobs submitted by the requester.

   - **Show jobs submitted by XXX user** - Displays the jobs submitted by the requester across all sessions.

   The hyperlinks next to each trade enable you to do the following:

   - **Details** - Opens to the trade's Notes/History tab and displays the results of the update (number of loans processed, number of successful updates, errors, and number of loans not processed).

   - **Clear** - Removes that particular trade from the update queue.

   - **Cancel** - If available, cancels the update for that particular trade.

   Trades being updated will be assigned a new status of "Pending". When a pending trade is opened, the title header will be red and it will be displayed as read-only (cannot be edited).

About Saving and Updating Trades

- **Using the Save Icon** - When you save a trade using the **Save** icon, you have the option of updating only the trade, or both the trade and its assigned loans. Until you update the assigned loans, the data in the trade will not be synchronized with the data in the loan files.

- **Update Selected Loans** and **Update All Loans Buttons** - Use these buttons on the **Loans** tab to synchronize data in the trade with the assigned loans.

  *NOTE: In Encompass 17.3.0.2 Server Patch and later, the **Update Selected Loans** and **Update All Loans** buttons will only be enabled when one of the following fields is updated in the trade: Commitment #, Commitment Date, Master Commitment #, Delivery Type, Expiration Date, Delivery Expiration Date, or any field on the Pricing tab.*

  - **Update Selected Loans** - Updates the loans highlighted in the Loans grid. You must highlight at least one loan to enable this button.

  - **Update All Loans** - Updates all loans in the Loans grid.

When an exclamation point displays on the button, it indicates that one or more assigned loans has a Pending status (such as Assigned - Pending). Loans with the following pending statuses will be highlighted in blue:

- Assigned - Pending

- Shipped - Pending

- Purchased - Pending

- Removed - Pending

*NOTE: In Encompass 17.3.0.2 Server Patch 2 and later, only the **Update Selected Loans** button will be enabled when one or more assigned loans has a Pending status.*

If a loan is removed from the trade, the loan's status will change to "Removed - Pending". If a loan has a Removed-Pending status during the update process, it will be removed from the Currently in Trade list when the update is completed.

Commitment Authority Validations

In Encompass 17.4 and later, the trade is validated against a set commitment authority to ensure that authority is not exceeded.

- **A new trade and the Policy for Trades that exceed Max Commitment Authority is set to "Don't allow Trade creation"** - The commitment authority validation is invoked if the Trade Amount exceeds the Mandatory Available Amount.

  - If the Trade Amount *exceeds* the Mandatory Available Amount, a message is displayed and the trade is not saved.

- If the Trade Amount *does not exceed* the Mandatory Available Amount:

  - Trade Amount is added to the matching Delivery Type Outstanding Commitment (e.g., Individual, AOT, etc.).

    - Percentage of Max is increased and the bar graphic is updated.

  - Trade Amount is added to Mandatory Outstanding Commitments.

    - Outstanding Commitment and % is increased, Available Amount and % is decreased, and the pie graphic is updated.

- **A Trade Amount change and the Policy for Trades that exceed Max Commitment Authority is set to "Don't allow Trade Creation" -** The commitment authority validation is invoked if the commitment difference exceeds the Mandatory Available Amount.

  - If the commitment difference *exceeds* the Mandatory Available Amount, a message is displayed and the trade is not saved.

  - If the commitment difference *does not exceed* the Mandatory Available Amount:

    - Commitment difference is added to the matching Delivery Type Outstanding Commitment (e.g., Individual, AOT, etc.).

      - Percentage of Max is increased and the bar graphic is updated.

    - Commitment difference is added to Mandatory Outstanding Commitments.

      - Outstanding Commitment and % is increased, Available Amount and % is decreased, and the pie graphic is updated.

To View Corespondent Trades

You can control the information that displays on the Correspondent Trades tab by sorting, filtering, and reconfiguring the columns. You can then save the configuration as a custom view, which can be applied to the data at any time from the Correspondent Trades View drop-down list. You can also apply an additional filter to the trades shown in the selected view by selecting **Current Trades** or **Archived Trades** from the View drop-down list.

NOTE: If you select a Trades View that excludes trades with a status of Archived or excludes all trades that do not have a status of Archived, applying the View filter may filter out all trades, causing a blank list to display.

To Access a Correspondent Trade:

Click the **Trades** tab, click the **Correspondent Trades** tab, and then double-click a trade.

To Edit a Correspondent Trade:

1 Click the **Trades** tab and then click the **Correspondent Trades** tab.

2 Double-click a trade.

3 Edit the Details, Pricing, Loans, and Notes/History tabs as needed.

4 Click the **Save** icon.

To Duplicate a Trade:

1 Click the Trades tab, and then click the Correspondent Trades tab.

2 Select a trade and click the **Duplicate** icon.

- Or, on the menu bar, click **Correspondent Trades**, and then click **Duplicate Trade**.

3 Click **Yes** in response to the confirmation message.

4 The Master Commitment #, Commitment Type, Delivery Type, Company Name, TPO ID, Organization ID, Trade Amount, Tolerance %, Note Rate fields, Eligible Loans section, and Selected Last Finished Milestones section are copied from the existing trade to the new trade.

To Delete a Correspondent Trade:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select a trade and click the **Delete** icon.

- Or, on the menu bar, click **Correspondent Trades**, and then click **Delete Trade**.

3 Click **Yes** in response to the confirmation message.

To Lock/Unlock a Trade:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select one or more trades, and then click **Lock/Unlock**.

- Or, on the menu bar, click **Correspondent Trades**, and then click **Lock/Unlock Trade**.

To Archive a Correspondent Trade:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select a trade, and then click **Archive**.

3 Click **Yes** in response to the confirmation message.

- All loans allocated to the trade must have a status of Purchased. (Purchased Date (field ID 3567) must be populated.)

- The trade must be in tolerance (Open Amount is less than or equal to the Trade Amount minus the Min. Amount).

4 To view archived trades, select the **Archived Trades** option above the Correspondent Trades list.

5 To return an archived trade to the Current Trades list, select a trade on the Archived Trades list, click **Move to Current**, and then click **Yes** in response to the confirmation message.

To Void a Correspondent Trade:

NOTE: This feature was introduced in Encompass 17.4.

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select a trade, and then click **Archive**.

3 Click **Yes** in response to the confirmation message.

4 The system performs a validation to determine whether any loans assigned to the selected trade have been "Submitted for Review".

• If any of the loans have been "Submitted for Review":

• An error message is displayed stating the loan cannot be voided.

• The trade is not be voided and, if multiple trades are selected, the validation process is performed on the next trade.

5 If the trade passes the validation process:

• Any loans assigned to the trade are removed from the trade.

• The Voided Date on the Correspondent Loan Status tool is populated with the current date.

• The trade is updated with a Voided status.

6 If multiple trades are selected, each will go through steps 4 and 5 until they are all processed.

7 If a loan fails during the trade update process, the details of the processing error is displayed in the Trade Update Queue window and the loan is not removed from the trade, and the trade is not updated with a Voided status.

To Export Selected Correspondent Trade Entries to Excel:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select one or more trades, and then click the **Excel** icon.

• Or, on the menu bar, click **Correspondent Trades**, point to **Export Trade to Excel**, and then click **Selected Trades Only**.

To Export All Correspondent Trade Entries to Excel:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select one or more trades, and then click the **Excel** icon.

• Or, on the menu bar, click **Correspondent Trades**, point to **Export Trade to Excel**, and then click **All Trades on All Pages**.

To Print Entries:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Select one or more trades, and then click the **Print** icon.

• Or, on the menu bar, click **Correspondent Trades**, and then click **Print Trade**.

To View Correspondent Trade History:

1 Click the **Trades** tab, and then click the **Correspondent Trades** tab.

2 Double-click a trade, and then click the **Notes/History** tab

3 The History section displays entries for each trade event.

4 To export the history to a CSV file, click the **Excel** icon.

To Extend a Loan in a Trade:

Users can make changes to select loans, apply an extension, re-locks, and/or custom price adjustments at the trade level, and have these changes retained in the lock snapshot.

NOTE: This feature was introduced in Encompass 18.2.

1 Click the **Trades** tab and then click the **Correspondent Trades** tab.

2 Select a trade, and then click the **Edit** icon.

3 Click the **Loans** tab.

4 Select the loans you want to extend, and then click the **Extend Selected Loans** button.

• The loan must have a Trade Assignment of "Assigned" for the **Extend Selected Loans** button to be enabled. Otherwise, an error message, "Loan [Loan Number] was not extended because the loan is in a Pending assignment status." will be displayed.

• For loans allocated to a trade, re-locks cannot be submitted for expired locks and an error message, "This loan must be removed from the Correspondent Trade [Trade Number] before it can be relocked." will be displayed.

• If the extension, re-lock, or custom price adjustment has exceeded the maximum number allowed, an error message, "Failed to create [Action] for loan [Field ID 364]: [Action] limit has been reached." will be added to the Notes/History tab.

• If changes are made that impact the loans (e.g., Commitment #, Commitment Date, Master Commitment #, Delivery Type, etc.), and the **Extend Selected Loans** button is clicked, an error message, "Loans cannot be extended when there are unsaved changes for the correspondent trade." will be displayed.

5 On the Extension Request pop-up window, enter the following information:

NOTE: If the Lock Extension Price Adjustments section on the Product and Pricing setting is not enabled, the Extension Request will be blank.

- The Days to Extend field may be populated from the Lock Extension Price Adjustment section, but can also be edited. This field is required to request an extension.
  - The value is mapped if the Control option is set to "Company controls extension days and price adjustment".
- The Price Adjustment field may be populated from the Lock Extension Price Adjustment setting, but can also be edited.
  - The value is mapped if the Control option is set to "Company controls extension days and price adjustment".
  - If a price adjustment is not defined for a given number of days, the default adjustment will be "0.000".
- Enter a re-lock fee, if applicable.
- Enter a custom price adjustment, if applicable.
- Enter comments, if applicable.

6 Click **Request Extension**.

- The trade is saved and the trade update process is initiated.

To Unallocate a Loan from a Trade:

1 Click the **Trades** tab and then click the **Correspondent Trades** tab.

2 Select a trade, and then click the **Edit** icon.

3 Click the Loans tab.

4 Select the loans you want to remove from the trade, and then click the **Delete** icon.

5 A confirmation message is displayed.

6 Click **Yes** to continue.

7 Click the **Save** icon.

To Unallocate a Loan from a Trade and Flag as Voided:

A loan that will be flagged as "voided" can only be removed from a trade if it has not been submitted (the **Submitted for Review** field must be empty). If there is a **Submitted for Review** date, a message is displayed that states the date must be removed before the loan can be voided and removed.

NOTE: This feature was introduced in Encompass 17.4.

1 Click the **Trades** tab and then click the **Correspondent Trades** tab.

2 Select a trade, and then click the **Edit** icon.

3 Click the Loans tab.

4 Select the loans you want to remove from the trade, and then click the **Delete** icon.

5 A confirmation message is displayed.

6 Select **Flag selected loan(s) as "voided"**.

7 Click **Yes** to continue.

- The **Trade Assignment Status** of the loan is set to "Removed-Pending".
- The **Update Selected Loans** button is enabled with an alert.
- On the Notes/History tab, the History log will list the removed loan as follows:
  - Removed loan [Loan Number]
  - Trade marked as Pending
  - Loan voided"
  - Trade marked as [Commitment Status]
- After the trade update is completed, the **Voided Date** on the Correspondent Loan Status tool is updated with the date the loan was removed from the trade and flagged as voided.

8 Click the **Save** icon.

Automatically Remove a Loan from a Trade:

When users automatically remove a loan at the trade level for AOT, Direct Trades, and Forwards, the following process is implemented:

NOTE: The loan must be removed from the Correspondent Trades Loans tab and the Voided check box is not selected.

- For a loan removed on the Expiration Date, the loan reverts back to "Not Locked".
  - The loan is still considered "Not Locked" even if the loan has been Submitted for Review when removed on the Trade Expiration Date.
- For a loan removed after the Expiration Date:
  - If the loan has been submitted (Submitted for Review (field ID 4119) is entered), it will be removed as a withdrawn loan.
  - If the loan has not been submitted, it will be removed as a canceled loans.
- For loans removed before the Expiration Date, they will not be treated as either canceled or withdrawn loans.
  - The trade data will be removed from the lock snapshot.
- After the trade update:

• For canceled loans, the Cancelled Date on the Correspondent Loan Status tool is updated with the date the loan was removed from the trade.

  • The Lock and Request Status will be "Lock Cancelled".

  • The Withdrawn Date and Voided Date on the Correspondent Loan Status tool will be cleared.

• For withdrawn loans, the Withdrawn Date on the Correspondent Loan Status tool is updated with the date the loan was removed from the trade.

  • The Lock and Request Status will be "Lock Cancelled".

  • The Cancelled Date and Voided Date on the Correspondent Loan Status tool will be cleared.

To Customize Your Correspondent Trades View:

When viewing a correspondent trade, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a trade.

NOTE: When you export trade entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

  • To identify auto generated correspondent trades, select **Auto Created** to add the Auto column to the Correspondent Trades View.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

  • The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort the Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

  For example, click the TPO ID column to display master commitments by TPO ID. Click the header again to reverse the order of the TPO IDs.

To Save the View:

After you have set up the data to your specifications, click the **Save** icon.

Creating and Managing Correspondent Master Commitments

Use the Correspondent Masters tab to create master commitments and then:

• Add delivery type and tolerance information for the master commitment.

• Allocate correspondent trades to the master commitment.

To Create a Correspondent Master Commitment:

When creating a master commitment, you must select a Third Party Originator (TPO) and then select a Commitment Type. Once you make your selections, the master commitment's Details tab is displayed.

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Click the **New** icon.

3 Select a TPO using the Lookup icon (magnifying glass).

- Click the **Lookup** icon.

- On the Third Party Originator Selector screen, select a TPO.
- Click **Select**.
- The TPO Info section is completed.

4 Select a Commitment Type.

- The Commitment Type options provided here (Mandatory and/or Best Efforts) are determined by the settings that were configured for the TPO who originated the loan by the administrator. The administrator uses the Commitments tab in the TPO's Company Details window to manage these Commitment Type options.

  NOTE: If both options are available, they can both be selected for the master commitment.

- When **Allow Best Efforts for Correspondent Trades** on the Trade Management Setup settings <u>AND</u> **Best Efforts** on the Company Details Commitments tab <u>are</u> selected, the **Best Efforts** check box on the New Correspondent Master Commitment (NCMC) pop-up screen is <u>enabled</u>.

  - When **Best Efforts** is selected on the NCMC pop-up screen, the **Best Efforts** check box on the Master Commitment Details tab is selected.

- When **Allow Best Efforts for Correspondent Trades** on the Trade Management Setup settings <u>OR</u> **Best Efforts** on the Company Details Commitments tab is <u>not</u> selected, the **Best Efforts** check box on the NCMC pop-up screen is <u>disabled</u>.

- When **Mandatory** on the Company Details Commitments tab <u>is</u> selected, the **Mandatory** check box on the NCMC pop-up screen is <u>enabled</u>.

  - When **Mandatory** is selected on the NCMC pop-up screen, the **Mandatory** check box on the Master Commitment Details tab is selected.

- When **Mandatory** on the Company Details Commitments tab is <u>not</u> selected, the **Mandatory** check box on the NCMC pop-up screen is <u>disabled</u>.

5 Click **OK**.

6 Complete the Master Commitment Info, Delivery Type View, and Correspondent Trades sections.

Master Commitment Info

1 Type a unique Master Commitment #.

- If the Auto Loan Numbering option is enabled in Encompass Settings, Encompass automatically numbers the master commitment and this field is read-only.

2 Enter a Master Effective Date & Time.

3 Enter a Master Expire Date &.395 Time.

4 Complete the remaining fields as needed.

- The available Price Group options are based on the Price Group configured by the administrator for the TPO that originated the loan. The administrator configures the TPO's Price Group in the Product and Pricing section of the Details tab in the Company Details window.

- The Master Commitment Amount cannot be greater than the Available Amount.

- If the Master Commitment Amount is greater than the Available Amount, an error message is displayed.

- The Available Amount cannot be less than zero.

- The Available Amount cannot be less than the Trade Amount.

- If the Available Amount is less than the Trade Amount, an error message is displayed.

Delivery Type View

In this section add at least one Delivery Type.

- The available delivery types are based on the Company Details Commitments tab settings (under External Company Setup).

- If both commitment types are selected (**Mandatory** and **Best Efforts**), at least one Mandatory delivery type and one Individual Best Efforts delivery type must be added.

- The Delivery Days accepts numeric values up to 3 digits (no decimals).

- The Tolerance accepts numeric values out to 6 places including decimals (e.g., xx.xxxx% or xxxxxx%).

- The Delivery Type Effective and Expire dates must fall within the time frame of the Master Effective and Expire dates.

Correspondent Trades

This section enables you to view all correspondent trades associated with the master commitment.

- Use the fields to search for correspondent trades.

- You can add or remove columns by right-clicking a column header, and then clicking Customize Columns.

  - To remove a column, clear the corresponding check box.

  - To add a column, select the corresponding check box.

- You can change the column order by clicking and then dragging a column to the desired location.

- Column customization is saved but the filters are cleared when the master commitment is saved or you exit the master commitment.

7 Click the **Save** icon (on the top right of the screen).

- In Encompass 17.4 and later, if the Policy for Trades that exceed Max Commitment Authority on the Company Details Commitments tab is set to "Don't allow Trade creation":

  - f the Master Commitment Amount *does not exceed* the Mandatory Available Commitment Amount, the correspondent master commitment is saved.

  - If the Master Commitment Amount *exceeds* the Mandatory Available Commitment Amount, a message is displayed and the correspondent master commitment is not saved.

To View Corespondent Master Commitments:

You can control the information that displays on the Correspondent Masters tab by sorting, filtering, and reconfiguring the columns. You can then save the configuration as a custom view, which can be applied to the data at any time from the Correspondent Master Commitments View drop-down list. You can also apply an additional filter to the master commitments shown in the selected view by selecting **Current Commitments** or **Archived Commitments** from the View drop-down list.

NOTE: *If you select a Correspondent Master Commitments View that excludes commitments with a status of Archived or excludes all master commitments that do not have a status of Archived, applying the View filter may filter out all master commitments, causing a blank list to display.*

To Access a Correspondent Master Commitment:

Click the **Trades** tab, click the **Correspondent Masters** tab, and then double-click a master commitment.

To Edit a Correspondent Master Commitment:

1 Click the **Trades** tab and then click the **Correspondent Masters** tab.

2 Double-click a master commitment.

3 Edit the Details and Notes/History tabs as needed.

4 Click the **Save** icon.

To Delete a Correspondent Master Commitment:

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Select a master commitment and click the **Delete** icon.

• A master commitment can only be deleted if there are no loans or correspondent trades associated with it.

NOTE: If there are loans or correspondent trades associated with the master commitment, an error message is displayed.

3 Click **Yes** in response to the confirmation message.

To Run an Advanced Search:

Use the Advanced Search to create your own search criteria.

• To save an advanced search, click **Advanced Search** on the Correspondent Masters tab, create your search, and then click the **Save View** icon (next to the Correspondent Master Commitments View field at the top of the tab).

• To clear an advanced search, click **Clear**.

To Archive a Correspondent Master Commitment

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Select a master commitment, and then click **Archive**.

3 Click **Yes** in response to the confirmation message.

• If loans allocated to the master commitment (via allocated correspondent trades) have a status that is not Purchased, you will not be able to archive the master commitment.

4 To view archived master commitments, select the **Archived Commitments** option above the Master Commitments list.

5 To return an archived master commitment to the Current Commitments list, select a master commitment on the Archived Commitments list, click **Move to Current**, and then click **Yes** in response to the confirmation message.

To Export Correspondent Master Commitment Entries to Excel:

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Select one or more master commitments.

3 Click the **Excel** icon.

• Or, on the menu bar, click **Correspondent Masters**, and then click **Export Correspondent Master Commitment to Excel**.

To Print Entries:

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Select one or more master commitments, and then click the **Print** icon.

• Or, on the menu bar, click **Correspondent Masters**, and then click **Print Correspondent Master Commitment**.

To View Correspondent Master Commitment History:

1 Click the **Trades** tab, and then click the **Correspondent Masters** tab.

2 Double-click a master commitment, and then click the **Notes/History** tab

• The History section displays entries for each master commitment event.

3 To export the history to a CSV file, click the **Excel** icon.

To Customize Your Correspondent Master Commitments View:

When viewing master commitment, you can customize the information that is displayed and how it is displayed. You can then save the configuration as the default view that displays whenever you open a master commitment.

NOTE: When you export master commitment entries to Microsoft Excel, use the customizable view to configure the information that will be exported and the order of the columns that will display in the Excel spreadsheet.

To Add or Remove Columns:

1 Right-click a column header, and then click **Customize Columns**.

2 To remove a column, clear the corresponding check box.

3 To add a column, select the corresponding check box.

4 Click **OK**.

To Change the Column Order:

Click and then drag a column to the desired location.

-OR-

1 Right-click a column header, and then click **Customize Columns**.

2 On the Customize Columns window, select a column name in the list.

3 Click the **up arrow** or **down arrow** in the upper-right corner to move the column up or down in the list.

• The column at the top of the list displays on the far left of the table. The remaining columns display from left to right according to their list order.

4 Click **OK**.

To Sort Data:

1 Click a column header to display data in ascending order based on the information in the column.

2 Alternately click the header to sort the data in descending or ascending order.

For example, click the TPO ID column to display master commitments by TPO ID. Click the header again to reverse the order of the TPO IDs.

To Save the View:

After you have set up the data to your specifications, click the **Save** icon.

Chapter 11

Contact Management

Using the Contact Management feature, you can:

- Create and manage borrower and business contacts
- Search for contacts based on contact criteria
- Originate loans, order credit, and find Product and Pricing services using existing borrower contact information
- Create and manage marketing campaigns
- Import leads using the Lead Center
- Access a full-featured calendar to create and manage appointments
- Create and manage a list of tasks
- Create templates of commonly used letters and documents to send to selected contacts (Mail Merge)

This chapter describes the primary Contact Management features, including basic management, importing and exporting contacts, creating contact groups, performing mail merges, and synchronizing contacts.

For information about using the Contacts Calendar to manage appointments and other scheduled events, refer to Chapter 12, "The Contacts Calendar and Tasks List" on page 364. For information about using the Campaign Management feature to create and manage marketing campaigns for your contacts, refer to Chapter 13, "Campaign Management".

Contacts

The Contact Management feature is accessed from the Contacts tab. Not all users have the same contact options available to them. Your system administrator determines which users have the ability to create and manage different kinds of contact information.

When viewing contacts you can control the information that is displayed and how it is displayed. You can then save the configuration as a new Contacts View and apply the criteria to the contacts at any time. Refer to "Viewing Contact Information" on page 348 for details.

The contacts database contains both business and borrower contacts. You can create contacts for your entire business, create default contacts specific to each loan officer and loan processor, and create file contacts specific to a loan.

You can also create personal and public contacts, if your system administrator has authorized you to do so. For details, refer to "Public and Personal Resources" on page 23.

Creating a Contact

When you create borrower or business contacts, you can add notes that include your own saved phrases.

To Create a Borrower or Business Contact:

1 At the top of the Contacts tab, click the **Borrower Contacts** or **Business Contacts** tab, and then click the **New** icon.
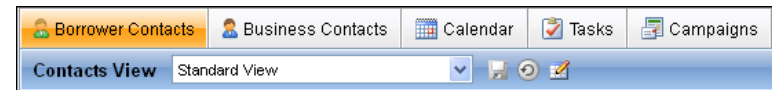
2 On the **Details** tab, add information as required.

3 For borrower contacts, click the **Extra** and **Opportunity** tabs to record additional contact, loan, and property information.

- Select the **Primary Contact** check box on the **Extra** tab for a borrower contact who is the principal contact for communications such as letters or email messages

NOTE: *If you use the **Originate Loan** button to create a loan, the information on the Opportunity tab is copied to the new loan.*

4 If your company uses custom contact fields, click a custom tab and add information as required.

5 When finished, click the **Save** icon.

To Add a Note to a Contact:

1 Click the **Notes** tab and click the **New** icon.

2 Enter a Subject and the text of the note.
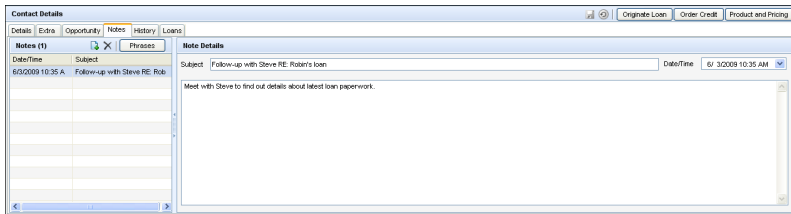
3 To change the date and time, over-write the default entry or select a date from the Date/Time drop-down calendar.

4 Click **Phrases** to select from a list of commonly used phrases. Double-click a phrase to add it to the note.

*NOTE: If you initiate a note by clicking a Phone icon on the **Details** tab, a **Called** event is added to the contact's history. If you initiate a note by clicking an **Email** icon on the **Details** tab, an email window opens with the contact's email address in the To field. An **Emailed** event is added to the contact's history.*

To Delete a Note:

1 Click the **Notes** tab, click to select a note, and then click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

To Work with Phrases:

1 Click the **Notes** tab, click to select a note, (or click the **New** icon) and then click **Phrases**. The Phrases window opens.
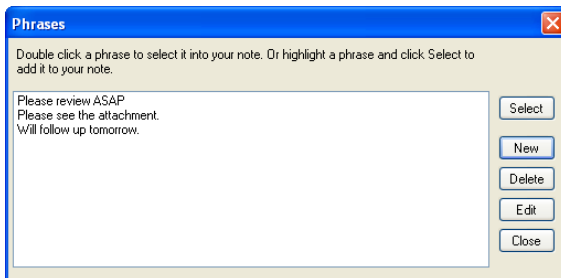
- To create a phrase, click **New**, enter the phrase text, and then click **OK**.

- To edit a phrase, click a phrase, click **Edit**, change the text as required, and then click **OK**.

- To delete a phrase, click a phrase, click **Delete**, and then click **OK** in response to the confirmation message.

- To add a phrase to a note, select a phrase, and then click **Select**.

2 Click **Close**.

Viewing Contact Information

When viewing your contacts, you can view contact details, search for contacts based on specified criteria, and control the information that is displayed and how it is displayed. You can then save the configuration as a new Contact View and apply the criteria to the data at any time.

Contact Views

There are many different options for setting up and viewing contact information. You can use a standard Contact View that is based on your assigned persona and specified by your system administrator. You can also create custom Contact Views by making changes such as adding or removing columns, changing the order of columns, applying search filters, and sorting column data.

To Add, Remove and Organize Contacts Columns:

You can customize the view of the contacts by adding and removing columns, as well as changing the column order.

1 Right-click a column heading and select **Customize Columns**.
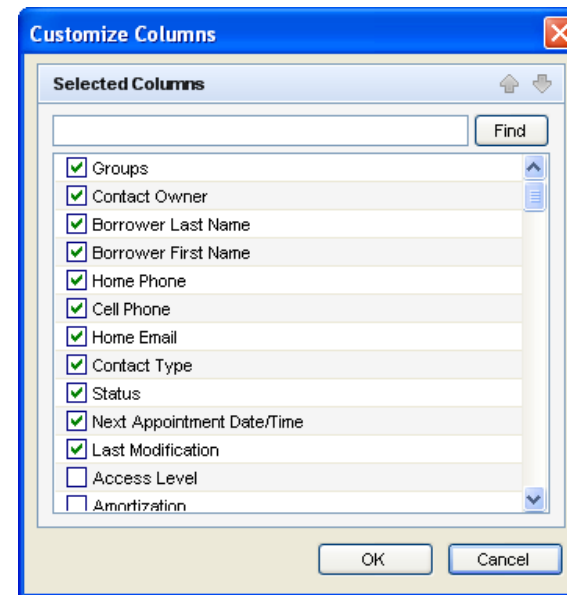
2 On the Customize Columns window, select or clear check boxes to determine the columns that display.

   • To find a column, enter a search term in the field at the top, and then click **Find**. The first occurrence of the term is displayed. Continue clicking **Find** to view additional occurrences.

3 Use the **Up** and **Down** arrows to change the column order.

   NOTE: You can also reorder columns on the Contacts tab by dragging and dropping column headers to new locations.

4 When finished, click **OK**.

Sorting Contacts

Sort contacts by clicking a column header on the **Borrower Contacts** or **Business Contacts** tab.

NOTE: Use the Customize Columns feature to add or delete columns on the tab. For detailed instructions, refer to "To Add, Remove and Organize Contacts Columns:" on page 348.

1 Click the **Contacts** tab, and then click the **Borrower Contacts** or **Business Contacts** tab.

2 Click a column header to display contacts in ascending order based on the information in the column.

3 Alternately click the header to sort the contacts in descending or ascending order.

   Example: Click the **Borrower Last Name** column header to display contacts by last name in alphabetical order from A to Z. Click the header again to display contacts by last name in reverse alphabetical order from Z to A.

*NOTE: When you perform two consecutive sorts, the results of the previous sort are retained within the current sort. **Example:** If you sort by Borrower Last Name and then sort by Status, entries are sorted by Status. Within each group of Statuses, the entries are arranged alphabetically by Borrower Last Name.*

Searching for Contacts

There are two methods for searching for a contacts.

You can perform a Simple Search by typing data into a field above a Contacts column or by selecting an option from a column's drop-down list.

You can also use the Advanced Search option to search for contacts by creating your own search filters. To access the Advanced Search feature, click the **Advanced Search** button.

To Perform a Simple Search:

1 Click the **Contacts** tab, and then click the **Borrower Contacts** or **Business Contacts** tab.

2 Enter all or part of a term you want to search into a blank field above a column.

   • You can enter text or numerals into a field.

   • Enter data in one or more fields to search using multiple terms.

   • When applicable, Select a **greater than**, **less than**, or **equal to** sign (>, <, or =), enter an amount or date, and then click in the contacts table.

3 Click anywhere in the Contacts table below the column fields.

4 Select an option from a column field's drop-down list.

   Contacts containing the entered values and selected options are displayed.

5 Select options from one or more drop-down lists to search using multiple terms.

   NOTE: You can also search for contacts by typing search terms in one or more blank fields and then selecting options from one or more field drop-down lists.

To Redisplay the Original Contacts List:

• Click the **Clear** button to redisplay the original list of contacts.

To Perform an Advanced Search:

1 On the Contacts tab, click the **Borrower Contacts** or **Business Contacts** tab.

2 Click the **Advanced Search** button in the upper-right.
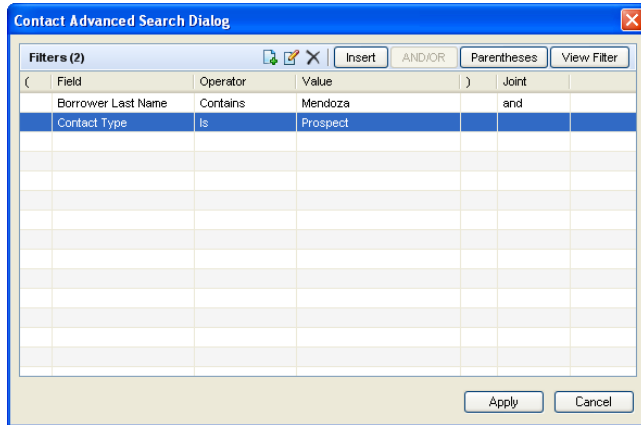
3 Click the **New** icon.

4 On the Add/Edit Search Filter window, click the **Find** icon.

5 On the Select Field window, double-click to select a field from the list.

- Or, enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

6 Select an Operator, select an Option (or Value, if applicable), and then click **OK**.

- The Operator and Option (or Value) define how the field will be used to search for contacts. For example: Field ID= **ContactType**, Operator = **Is any of**, Options = **Lead**.

7 Repeat steps 1 through 6 to add more filters.

8 You can use parentheses to control the order in which multiple filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

9 Use the **AND/OR** button to determine how search criteria are used together. **Example:** If you search for Prospects and Hot Leads, use AND to search for contact who belong to both categories (Prospects who are also Hot Leads). Use OR to view contacts who fall into either category (all Prospects as well as all Hot Leads).

10 Click **Apply**.

Saving Contacts Views

After changing the columns, sorting the data, or applying search criteria, you can save the new configuration as a new custom view. Once you save a view, you can select it at any time to apply the criteria to your contact data.

To Save a Contact View:

1 Once you have set up the data to your specifications, click the **Save** icon to the right of the Contact View field.
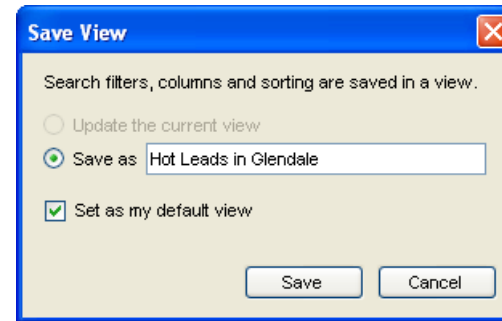
2 Select **Save as**.

***NOTE:** The **Update the current view option** is available only for custom views. You cannot save or update a standard view.*

3 Enter the name of the view.

4 To set this view to be displayed when you view the Contacts tab, select **Set as my default view**.

5 Click **Save**.

***NOTE:** You will not be prompted to save your changes when you log out. If you log out without saving your changes, your data will return to its previous configuration when you log back in.*

Managing Existing Contacts

From the **Contacts** tab, you can edit, copy, and delete contacts; originate a loan, order credit, search for best fit loan programs, print contact information for a contact, reassign contacts to another owner, and link contacts to loans.

To Edit a Contact:

1 Click to select a contact from the list.

2 Change or add information in fields on the tabs.

3 When finished click **Save**.

To Copy a Contact:

When you copy a contact, all contact details (including status, type, and custom fields) are copied to the new contact. Notes and history are not copied. A First Contact event is created in the history log for the date and time the new contact is created.

- Right-click a contact and click **Duplicate Contact**.

- Or, select a contact, and then click the **Duplicate** icon.

  A copy of the contact is added to the bottom of the contact list.

To Delete a Contact:

1 Right-click a contact and click **Delete Contact**.

   - Or, select a contact, and then click the **Delete Contact**.

2 Click **Yes** in response to the message.

*NOTE: To delete multiple contacts, press the **Ctrl** or **Shift** key while clicking each contact, and then right-click to delete. When the message displays, select the **Apply to all items** check box so you do not have to confirm each contact deletion.*

To Originate a Loan from the Contacts Tab:

1 Click the **Borrower Contacts** tab and select a borrower contact.

2 On the Contact Details section, click **Originate Loan**.

   - If you made any changes to the Contact Details without saving them, a pop-up message displays and the changes are automatically saved. Click **OK** to continue.

   - If a loan is currently open on the Loan tab, a pop-up message displays. Select a save option, and then click **OK**.

   - If the contact is already linked to an active loan, the Existing Loan window displays. Select the active loan and then click **Select** to open the loan or click **Create New** to start a new loan.

     NOTE: The information on the Opportunity tab is also copied to the new loan.

3 On the Originate Loan window, in the Borrower Contact section, click **Add Co-Borrower** to select a co-borrower from the list of borrower contacts, if needed, and then click **Done**.

4 On the Loan Template section, click **Select Template t**o apply a template to the loan.

5 On the New Loan window, select a folder where the template is located.

6 Select the **Append template data** check box if you want only non-blank fields in the template to be written to the loan.

7 Select a loan template and click **Select Template**.

   - Or click **Default Template** to use the default loan template.

   - Or click **New Blank Loan** to start the loan without applying a predefined template.

NOTE: If you do not select a template, the loan will be blank except for the information from the Details and Opportunity tabs.

8 On the Loan Folder section of the Originate Loan window, select a loan folder for the loan.

9 Click **Continue** to create the loan.

To Order Credit for a Contact:

1 On the Contacts tab, click the **Borrower Contacts** tab, and then select a borrower contact.

2 On the Contact Details section, click **Order Credit**.

3 On the Order Credit window, click **Add Co-Borrower** to select a co-borrower from the list of borrower contacts, if needed, and click **Done**.

4 On the Loan Template section, click Select **Template** to apply a template to the loan.

5 On the New Loan window, select a folder where the template is located.

6 Select the **Append template data** check box if you want only non-blank fields in the template to be written to the loan.

7 Select a loan template and click **Select Template**.

- Or click Default Template to use the default loan template.

- Or click New Blank Loan to start the loan without applying a predefined template.

NOTE: If you do not select a template, the loan will be blank except for the information from the Contacts Details and Opportunity tabs.

8 On the Loan Folder section of the Product and Pricing window, select a loan folder for the loan.

9 Click **Continue** to create the loan.

10 On the Credit Report window, on the My Providers tab, click a service provider, and then click **Submit**.

- Or you can select a provider from the All Providers tab. The selected provider is added to the My Providers list.

11 Complete the required information on the provider's request form and submit the request.

- The credit report is returned and added to a new loan file for the borrower.

To Order Product and Pricing:

The Product and Pricing service enables you to prequalify and price loans against the latest underwriting guidelines and prices from over 70 lenders, allowing you to find the best fit program for you and your borrowers.

When you place your product and pricing order from the Contacts tab, you can:

- Use the best fit loan program and pricing search as a prequalification tool for your borrower contacts

- Copy borrower contact data directly to the search request

- Create a record in the contact history file

1 Click to select a borrower contact.

2 On the Contact Details section, click **Product and Pricing**.

- If a loan is currently open, you will be prompted to close the loan.

3 On the Product and Pricing window, in the Borrower Contact section, click **Add Co-Borrower** to select a co-borrower from the list of borrower contacts, if needed, and then click **Done**.

4 On the Loan Template section, click **Select Template** to apply a template to the loan.

5 On the New Loan window, select a folder where the template is located.

6 Select the **Append template data** check box if you want only non-blank fields in the template to be written to the loan.

7 Select a loan template and click **Select Template**.

- Or click **Default Template** to use the default loan template

- Or click **New Blank Loan** to start the loan without applying a predefined template.

NOTE: If you do not select a template, the loan will be blank except for the information from the Details and Opportunity tabs.

8 On the Loan Folder section of the Product and Pricing window, select a loan folder for the loan.

9 Click **Continue** to create the loan.

10 When the Product and Pricing window opens, click the name of a provider, and then click **Submit**.

11 On the Product and Pricing Request window, enter User Login Information, select a Request Type, and then click **Continue**.

12 Follow the provider's instructions to enter required information and search for loan programs.

When you submit a product and pricing search request, the provider returns a list of programs, rates, and prices matching the loan details. After selecting a program/rate/price combination, follow the provider's instructions to update the loan file with the selected product. You can update your loan in Encompass with data from a selected loan program, or submit the loan directly to a lender who is an electronic service provider.

To Print Summary or Detail Contact Information:

You can print both summary and detail information for selected contacts.

1 Select one or more borrower or business contacts and click the **Print** icon.

2 On the Contact Print window, click **Print**.

- Click **Preview** to preview the document in the Print Viewer.
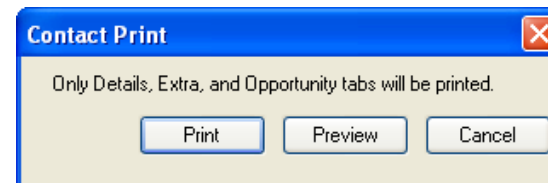
3 When the **Print** window opens, select a printer, and then click **OK**.

To Reassign a Borrower Contact to Another User:

Each borrower contact is *owned* by an Encompass user. Only the owner (or Administrator when the contact is public) can reassign ownership of a contact to another user. When you reassign a borrower contact, the ability to edit, copy, delete, and reassign the contact is transferred to the new owner. You can only view the reassigned contact if you assign it to a user below you in the organization hierarchy.

1 Select one or more borrower contacts.

2 Right-click one of the selected contacts and click **Reassign**.

3 On the Select a User window, select a user, and then click **OK**.

   An email message is sent to the new owner, advising the user of the reassignment.

To Link to a Loan From a Contact:

You can create a link between a loan file and a borrower contact from the Borrower Summary or the Contacts tab. After a link has been created, you can view the loans that are linked to a contact by selecting the contact on the Contacts tab and then clicking the Loans tab for the contact. Refer to "Linking Loans and Contacts" on page 28 for information about linking loans and contacts from the Borrower Summary.

1 Click the **Contacts** tab, click the **Borrower Contacts** tab, and then select a contact.

2 In the Contact Details section, click the **Loans** tab, and then click the **Link to Loans Using SSN** button to open the Unassigned Loans window.

3 Select one or more loans and then click **OK**.

   • The loans are linked to the contact and added to the list on the Loans tab.

4 To unlink loans from the contact, select one or more loans, click **Break Link and Remove from List**, and then click **Yes** in response to the confirmation message.

   • The loan is removed from the list.

NOTE: If a loan is linked to a contact, you can use the Synchronize icon to update the loan officer's contact information when you add or update borrower and co-borrower information on the Borrower Summary screen. The information is

updated for the loan officer in the loan's File Contacts list and on the Contacts tab. Refer to "Updating Contacts From the Borrower Summary" on page 29 for more information.

Contact Groups

Creating contact groups enables you to manage your borrower and business contacts and facilitates adding contacts to and removing contacts from a campaign (if your company is using the Campaign Management feature).

*NOTE: For borrower contacts, there are two predefined, non-editable contact groups: **All Contacts** and **My Contacts**. The **All Contacts** group contains any public borrower contacts. For business contacts, there is one predefined, non-editable contact group: **All Contacts**.*

To Create a Contact Group:

1 On the Contacts tab, click **Borrower Contacts** or **Business Contacts**.

2 Select one or more contacts.

3 Click **Add to Group**.

4 In the Contact Group Selection window, click **Create New Group**.

5 In the Contact Group Name window, enter a name for the group, and click **OK**,

6 In the Contact Group Selection window, select a group, and then click **OK**.

To Create a Contact Group without Adding Contacts:

1 Click **Edit Groups**.

2 On the Contact Group Setup window, click **New**.

3 Enter a name for the group, click **OK**, and then click **OK** again to close the Contact Group Setup window.

To Add a Contact to an Existing Group:

1 Click to select one or more contacts.

2 Click **Add to Group**.

3 On the Contact Group Selection window, click the name of the group and click **OK**.

To View Members of a Contact Group:

- Click to select a group from the Groups drop-down list. The members of the group are displayed in the table below.

To View Groups in Which a Contact is a Member:

1 Select a Contact.

2 Click the **Groups** icon next to the contact's name.

To Remove a Contact from a Contact Group:

1 Click to select one or more contacts.

2 Click **Remove from Group**.

3 Select one or more groups, and then click **OK**.

4 Click **Yes** in response to the confirmation message.

To Edit a Contact Group:

1 Click **Edit Groups**.

2 On the Contact Group Setup window:

- To copy a group, select a group and click **Duplicate**.

- To change the group name, click a group and click **Rename**. Enter the new name and then click **OK**.

- To delete the group, click one or more groups and click **Delete**. Click **Yes** in response to the confirmation message.

NOTE: When you delete a group, you are only deleting the group and not the contacts within the group.

3 Click **OK**.

Viewing Contact History

The History tab contains a log of events associated with a contact. When you select a specific event, details of the entry display in the Event Details panel on the right.
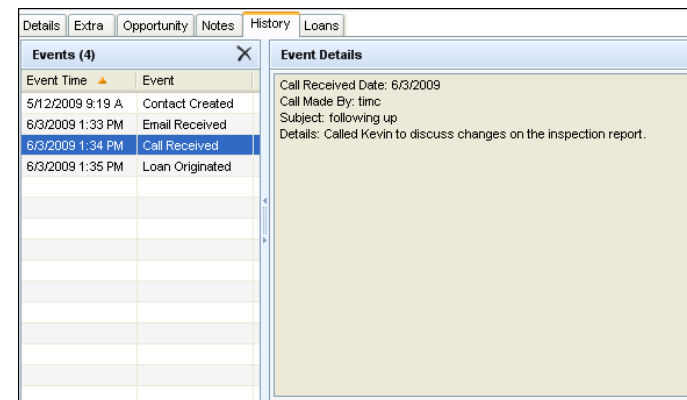
The following events are included in the log.

- **Contact Created** - The date and time the contact was created.

- **Call Received** - Indicates a communication via phone (including fax) with the contact. The event is added to the history log when a note is initiated by clicking one of the Phone icons on the Details tab.

- **Email Received** - Indicates a communication via email with the contact. The event is added to the history log when a note is initiated by clicking one of the **Email** icons on the **Details** tab.

- **Email Merge** - An email merge was sent to the contact.

- **Mail Merge** - A mail merge document was sent to the contact.

- **Loan Originated** - A loan was created for a borrower contact using the **Originate Loan** button in Contacts.

- **Credit Received** - Credit was ordered for the borrower contact using the **Order Credit** button in Contacts.

- **Completed Loan** - A loan was completed for the borrower contact. A Completed Loan event is also added to the history log for business contacts who were referenced as file contacts on a loan.

- **Campaign Events** - If your company is using the Campaign Management feature, various campaign event entries (such as **Campaign Add**, and **Campaign Letter**) indicate the contact was included in a marketing campaign. Refer to Chapter 12, "The Contacts Calendar and Tasks List" on page 367 for more information about the Campaign Management feature.

Using the Mail Merge Feature

Use the Mail Merge feature to create and manage custom letters and emails to send to your business or borrower contacts. You can include references to contact fields (variables) such as the contact's name and address, so that when you print or email the document the appropriate values are automatically added.

NOTE: If your company uses the Campaigns feature, you will use Mail Merge to create custom letters but will use functions within Campaign Management to print or email the documents with the appropriate values automatically added.

To create (or edit) a **public** custom letter, your user profile must allow access to Templates and Tables.

NOTE: The Custom Letters feature does not support the use of variable fields within text boxes.

To Create a Custom Letter:

1 Click the **Mail/Email Merge** button.

2 On the Mail Merge window, select the **Personal Custom Letters** or **Public Custom Letters** folder.
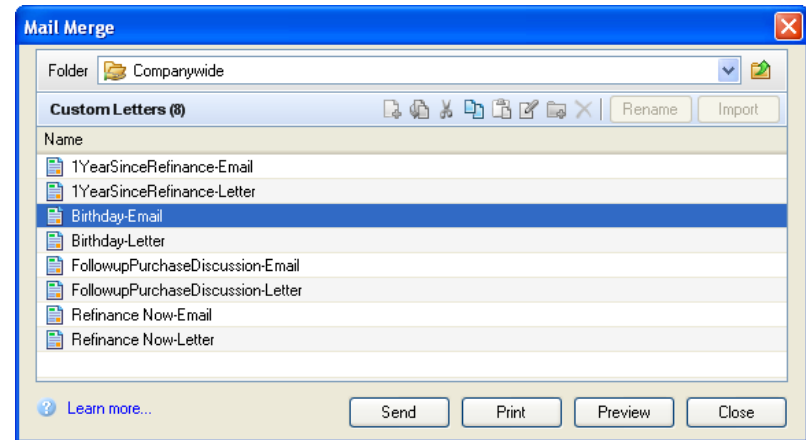
3 Click the **New** icon.

4 Change the document name as required and then double-click to open the letter.

Microsoft Word and the Insert Fields window open.
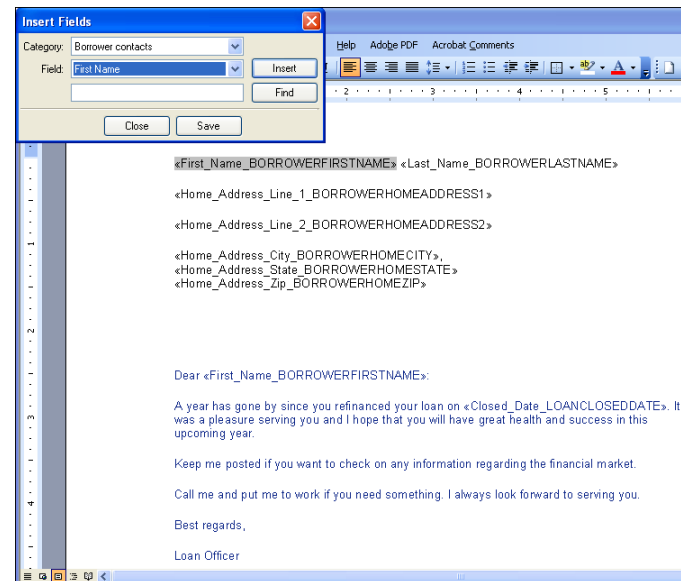
5 Enter the content of your document.

6 To add a variable field that will be filled with contact-specific information:

- On the Insert Fields window, click the type of field you want to add from the Category list.

- Click the name of the field from the Field list.

- Click **Insert** to add the field to the document.

7 To search for a field, enter a key word in the Find field, and then click **Find**.

8 When finished typing content and adding variable fields, click **Save** and then **Close**.

To Print Custom Letters:

1 Select one or more contacts.

2 Click **Mail/Email Merge**.

3 Select a custom letter from the Public Custom Letters or Personal Custom Letters folders, and then click **Print**.

To Preview Before Printing:

1 Select one or more contacts.

2 Click **Mail/Email Merge**.

3 Select a custom letter from the Public Custom Letters or Personal Custom Letters folder, and then click **Preview**.

- Microsoft Word opens, showing a document for each selected contact.

4 Make changes to the documents as needed. These changes are not saved to the custom letter.

5 Click the **Printer** icon on the toolbar to print the documents.

6 When finished, close Microsoft Word.

To Email Documents to Contacts:

NOTE: The selected contacts must have an email address in their contact information.

1 Select one or more business or borrower contacts.

2 Click **Mail/Email Merge**.

3 When the Contacts Email Selection window opens, click entries in the Select column to change the email address for a contact, and then click **OK**.

4 When the Email Selection Summary message displays, click **OK**.

5 Enter a subject for the email messages, and then click **OK**

To Import a Mail Merge Document:

NOTE: The Custom Letters feature does not support the use of variable fields within text boxes. If a form contains text boxes, remove them before importing the form into Encompass.

1 On the Contacts window, click the **Mail/Email Merge** button.

2 Click the Personal Custom Letters or Public Custom Letters folder in which you want to store the document, and then click **Import**.

3 Open the folder containing the document, and then select the document.

4 If you are importing a document from another LOS, clear the check box at the bottom of the window to remove data fields from the document.

5 Click **Import**.

Importing Contacts

You can import borrower and business contacts from Microsoft Outlook or from a Comma Separated Values (CSV) file. You can also import business contacts from Calyx Point Cardex.

NOTE: Calyx Point borrower contacts are created when loan files are imported.

Importing Public or Personal Contacts

When you import contacts, you may have the option to set access to the contacts as public or personal. Whether or not the option is available depends on user and system settings. The following guidelines apply.

- For borrower contacts, if the check box on the Borrower Contacts tab is selected for your User Group, all imported borrower contacts will be public (viewable by your superiors in the organization hierarchy).

- For business contacts, if you have edit access to Public Business Contacts (as defined in your User Group), you can set the imported contacts to public.

To Import Contacts from ACT!:

1 On the ACT! File menu, click **Export** to open the Export Wizard.

2 Follow the instructions in the wizard, making sure to select **Text Delimited** as the type of file to export to, and **Comma** as the field separator.

3 After the contacts have been exported to a CSV file, complete the instructions in "To Import Contacts from a CSV File:" on page 358.

To Import Contacts from Microsoft Outlook:

NOTE: You can also synchronize your Business Contacts, Borrower Contacts, Calendar appointments and Tasks list with contacts, appointments, and tasks in Microsoft Outlook or ACT! (contacts and appointments only). Refer to "Synchronization" on page 359.

1 On the **Contacts** tab, click the **Borrower Contacts** or **Business Contacts** tab.

2 On the menu bar, click **Borrower Contacts** or **Business Contacts**, and then click **Import Borrower Contacts** or **Import Business Contacts**.

3 On the Data Source window, select **Import from Microsoft Outlook**, and then click **Next**.
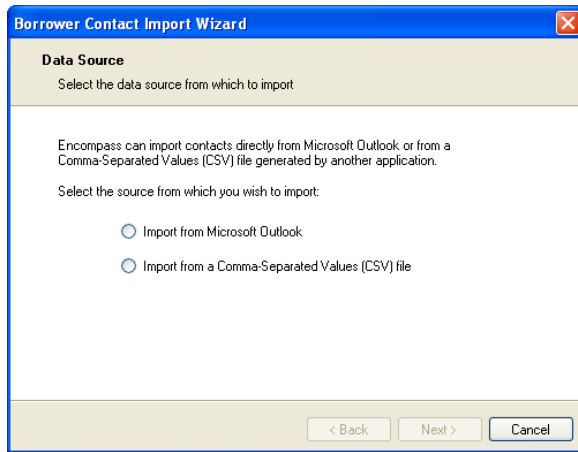
4 If the Contact Access window opens, select the **Personal** or **Public** option.
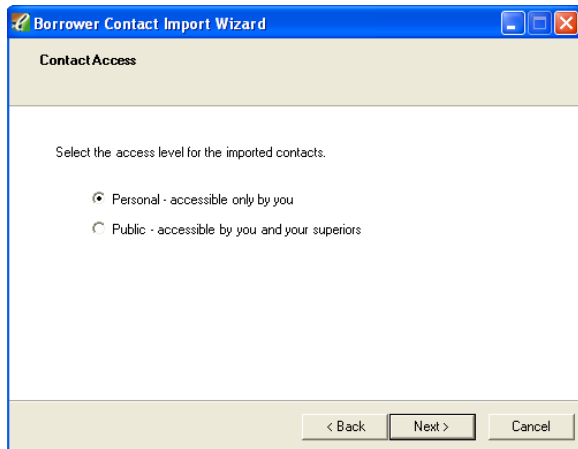
5 On the Import from Microsoft Outlook window, click **Import**.

6 On the Select Folder window, click the folder containing the contacts, and then click **OK**.
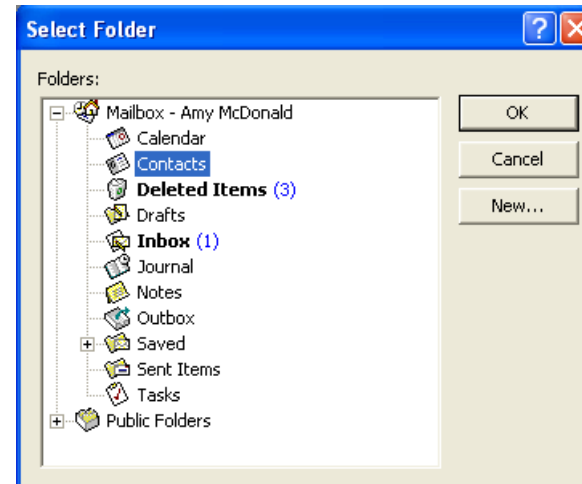
TIP: *To import a subset of contacts, create a new Outlook folder and copy the subset into it. Then import the subset from the new folder.*

7 If a Microsoft Outlook message opens (regarding access to your contacts):
- Select the **Allow access for** check box.
- Click the number of access minutes.
- Click **Yes** to proceed.

8 Click **OK** in response to the confirmation message.

To Import Contacts from a CSV File:

1 On the **Contacts** tab, click the **Borrower Contacts** or **Business Contacts** tab.

2 On the menu bar, click **Borrower Contacts** or **Business Contacts**, and then click **Import Borrower Contacts** or **Import Business Contacts**.

3 On the Data Source window, click **Import from a Comma-Separated Values (CSV) file**, and then click **Next**.

4 If the Contact Access window opens, click the **Personal** or **Public** option.

5 On the File Selection window, click **Browse** to locate and select the CSV file containing the contacts, and then click **Next**.

6 On the Parsing Options window:

- If the first row in your data file contains column headers, select the **First row contains header information** check box to prevent the headers from being imported.

- Click **Next** to proceed.

7 On the Data Mapping window, click each column header to assign the data to a field, and then click **Import**.
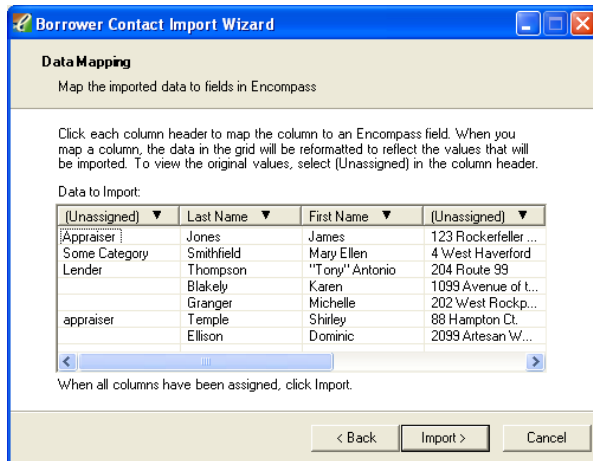
8 Click **OK** in response to the message.

To Import Contacts from Calyx Point Cardex:

1 On the **Contacts** tab, click the **Business Contacts** tab.

2 On the menu bar, click **Business Contacts**, and then click **Import Business Contacts**.

3 On the Data Source window, click **Import from Calyx Point Cardex**, and then click **Next**.

4 If the Contact Access window opens, click the **Personal** or **Public** option, and then click **Next**.

5 If not already open, click **Browse** to locate and open the folder containing the contacts, and then click **Import**.

*NOTE: If a duplicate is found, a message opens. Click **Overwrite** to replace the existing contact, **New** to create a new, duplicate contact, **Skip** to leave the current contact and proceed, or **Cancel** to end the import process. Select the check box to apply your choice if more duplicates are found.*

6 Click **OK** in response to the confirmation message.

Exporting Contacts

You can export borrower and business contacts to a Comma Separated Values (CSV) file. A copy of the contact's data is exported. Notes and history information are not exported.

*NOTE: To export contacts, the **Export Contacts** check box in your user profile must be selected.*

To Export Contacts to a CSV File:

1 On the **Contacts** tab, select one or more contacts.

2 Click the **Borrower Contacts** or **Business Contacts** file menu, and then click **Export Borrower Contacts** or **Export Business Contacts**, and then click **Selected Contacts Only** or **All Contacts on All Pages**.

3 On the Contact Export Wizard, click **Browse** to select a location for the exported contacts.

4 Browse for the desired location for the file, enter a File name for the exported contacts, and then click **OK.**

NOTE: If the File name matches an existing file, the file will be overwritten with the data from the exported contacts.
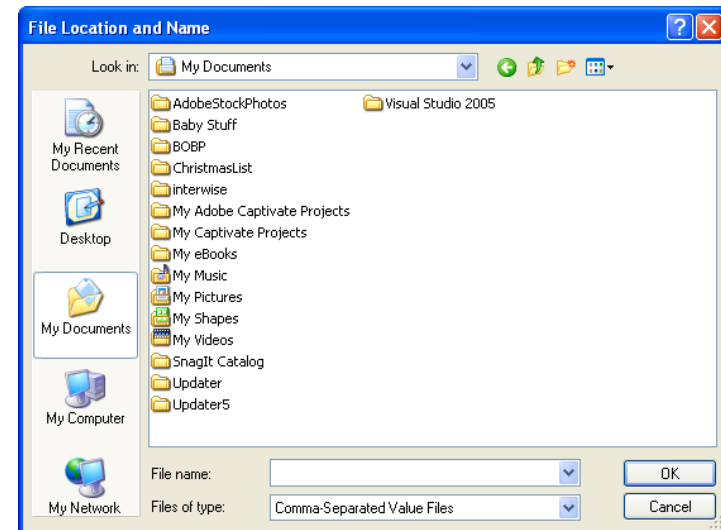
5 On the Contact Export Wizard window, click **Export**.

6 Click **OK** in response to the completion message.

Synchronization

The Synchronization feature enables you to synchronize your contacts, calendar appointments, and tasks list within Microsoft Outlook (or contacts and appointments in ACT!). When you run your saved Synchronization setup, changes or new entries made in Encompass appear in Microsoft Outlook or ACT!. Changes or new entries made in Microsoft Outlook or ACT! appear in Encompass.

To Create a Synchronization Setup with Microsoft Outlook:

1 On the **Contacts** tab, click the **Borrower Contacts** or **Business Contacts** tab, and then click the **Synchronize** button.

*NOTE: A Run Synchronization window opens if you have previously saved a synchronization setup. Select the **New** button to create a new synchronization setup. To run a previous setup, refer to the instructions below.*

2 On the Synchronization Setup window, select **Microsoft Outlook 2000 (or later)**.
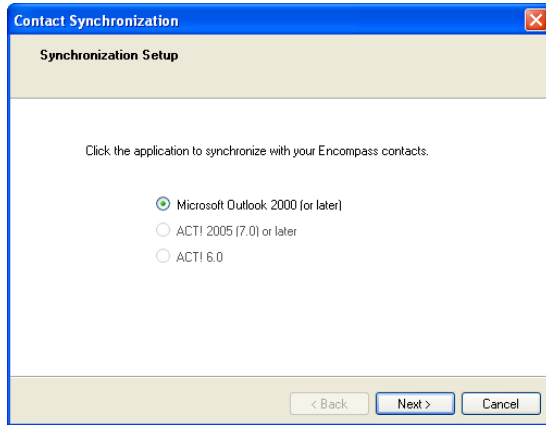
*NOTE: To enable the **Microsoft Outlook** option, make sure Microsoft Outlook is currently running on your computer.*

3 On the Type of Information window, select the type of information to be synchronized: **Borrower Contacts**, **Business Contacts**, **Appointments**, and/or **Tasks**.
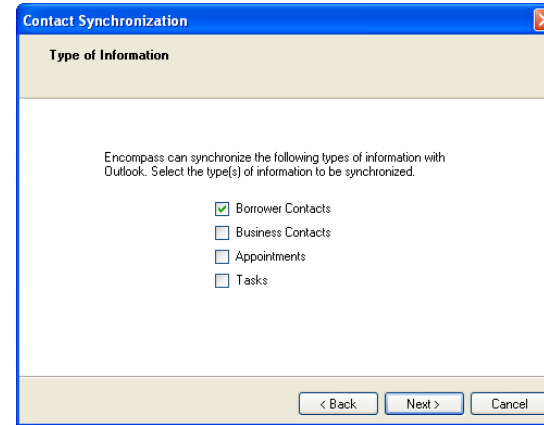
4 On the Folder Synchronization windows, select the folders to synchronize with Encompass (Contacts folders for Borrower or Business Contacts, Calendar folders for Appointments, or Tasks folders for Tasks).
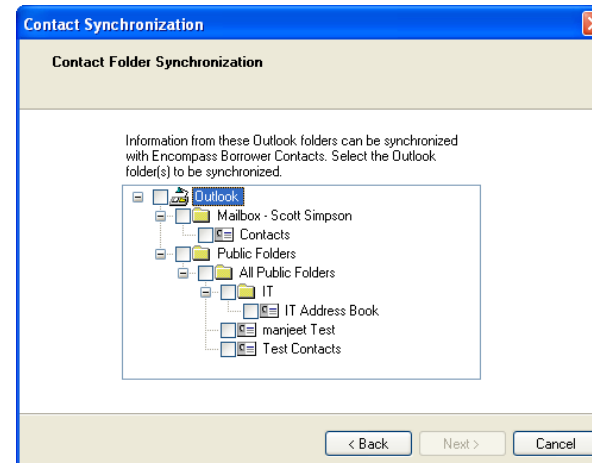
5 If you are synchronizing Borrower or Business Contacts, the Contact Classification window opens. Indicate if the Outlook folder you selected contains Business or Borrower Contacts.
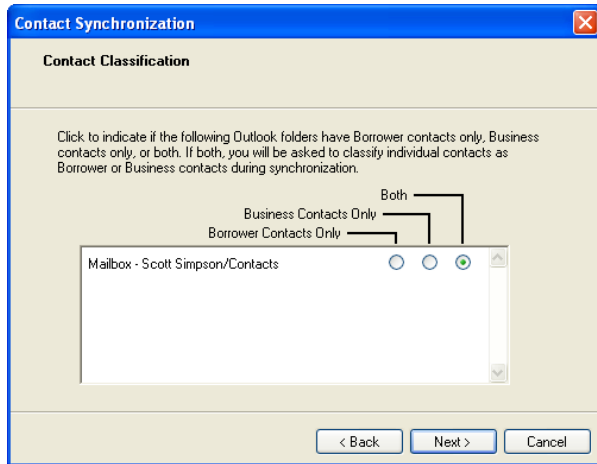
NOTE: If your Outlook contact folder contains both Borrower and Business Contacts, you will be asked to specify whether contacts are Borrower or Business Contacts the first time you run synchronization.

6 If you are synchronizing Borrower and/or Business Contacts, the Borrower (or Business) Contact Field Matching window opens. Define field matching as indicated (or leave fields unassigned). When finished, click **Next**.
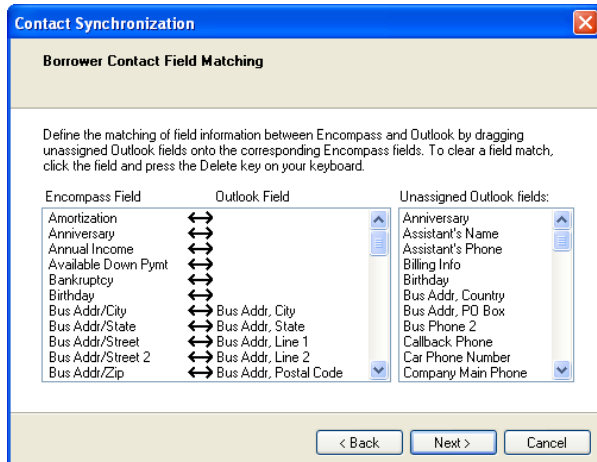
NOTE: If you choose to assign birthday or anniversary fields, those dates will appear in your calendar as annually recurring appointments.

7 The (Borrower Contact, Business Contact, Calendar, or Task) Conflict Resolution window opens. To automate data conflict resolution for Borrower or Business Contacts, select which field will override the other in the event of conflict.
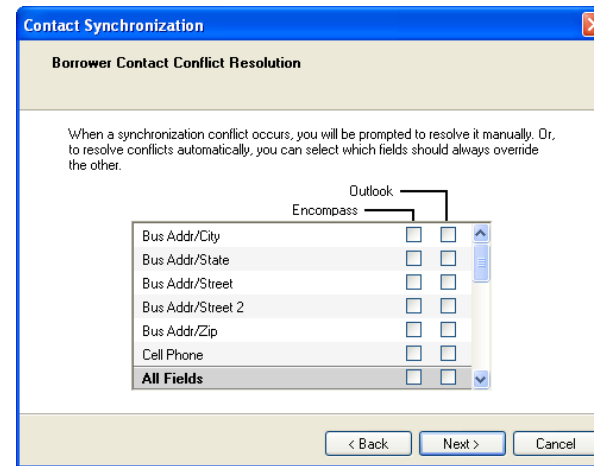
To automate data conflict resolution for Calendar or Tasks, select which application will override the other in the event of conflict. When finished, click **Next**.
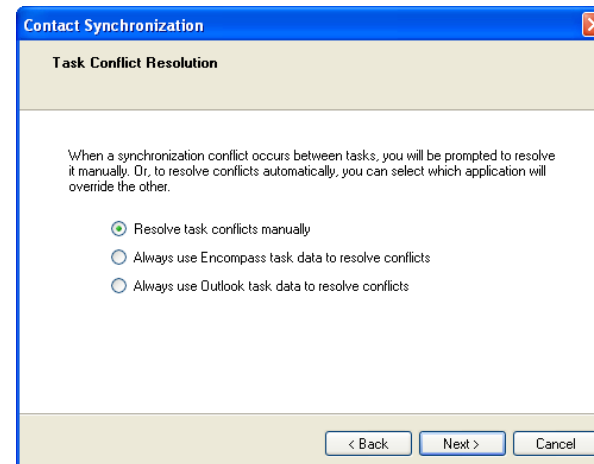
NOTE: If no selection is made or if you select the manual option for Calendar or Tasks, you will be asked to resolve any conflicts when you run synchronization.

8 On the Save Synchronization Setup window, enter a name for your setup, and then click **Save**.
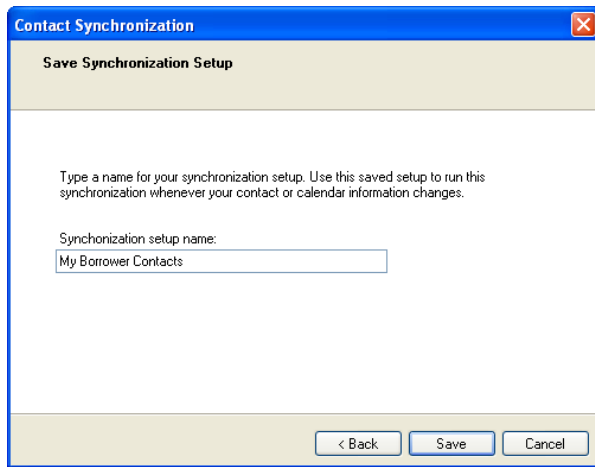
9 On the Run Synchronization Setup window, click **Run** to run your synchronization setup or click **Cancel** to close the wizard and run your saved synchronization setup later.
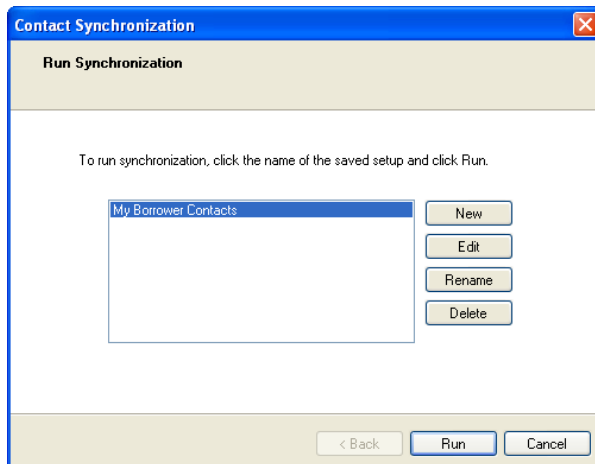
To Create a Synchronization Setup Synchronizing ACT! with Encompass:

1 On the **Contacts** tab, click the **Borrower Contacts** or **Business Contacts** tab, and then click the **Synchronize** button.

NOTE: A Run Synchronization window opens if you have previously saved a synchronization setup. Select the New button to create a new synchronization setup. To run a previous setup, refer to the instructions below.

2 On the Synchronize Setup window, click **ACT! 2005 (7.0)** or **ACT! 6.0**.

3 On the ACT! 2005 (or 6.0) Synchronization window, accept the default database selection or click **Browse** to select the ACT! database. Then enter your ACT! password and click **Next**.

NOTE: If your ACT! settings do not require a password, leave the field blank and click Next.

4 On the Type of Information window, select the type of information to be synchronized: **Borrower Contacts**, **Business Contacts**, and/or **Appointments**.

5 If you are synchronizing Borrower and/or Business Contacts, the Borrower (or Business) Contact Field Matching window opens. Define field matching as indicated (or leave fields unassigned). When finished, click **Next**.

NOTE: If you choose to assign birthday or anniversary fields, those dates will appear in your calendar as annually recurring appointments.

6 The (Borrower Contact, Business Contact, or Calendar) Conflict Resolution window opens. To automate conflict resolution, select which field will override the other in the event of conflict. When finished, click **Next**.

7 On the Save Synchronization Setup window, enter a name for your setup, and click **Save**.

8 On the Run Synchronization Setup window, click **Run** to run your synchronization setup, or click **Cancel** to close the wizard and run your saved synchronization setup later.

To Run a Synchronization Setup:

1 On the Contacts tab, click the **Synchronize** button.

2 Click the name of a saved setup and click **Run**.

To Edit a Synchronization Setup:

1 On the Contacts tab, click the **Synchronize** button.

2 Click the name of a saved setup and click **Edit**.

3 Make changes to the setup and click **Save** on the Save Synchronization Setup window.

To Rename a Synchronization Setup:

1 On the Contacts tab, click the **Synchronize** button.

2 Click a saved setup and click **Rename**.

3 Enter a new name for the setup and click **OK**.

To Delete a Synchronization Setup:

1 On the Contacts tab, click the **Synchronize** button.

2 Click the name of a saved setup and click **Delete**.

3 Click **Yes** to confirm deletion of the saved setup.

To Create a New a Synchronization Setup:

1 On the Contacts tab, click the **Synchronize** button.

2 Click **New** and then follow the steps for creating a synchronization setup.

The Lead Center

The Contacts Lead Center is used to register with lead providers and import leads directly into the Contacts tab. Ellie Mae has partnered with real-time lead providers to supply quality leads. When new leads arrive, you will be notified via an email. You can then import the leads into the Contacts tab and immediately initiate marketing campaigns with potential clients.

To Sign Up with a Lead Provider:

1 Click the **Contacts** tab, click the **Borrower Contacts** tab, and then click the **Buy Leads** button.

2 For each lead provider, click the associated **Sign Up** button and follow the instructions on the provider's store front. You will provide registration information and criteria for the types of leads that you want to receive.

TIP: For additional information, refer to the View Demos, Why Buy Leads, and FAQ links at the top of the Lead Center window.

To Access Account Information:

1 Click the **Contacts** tab, click the **Borrower Contacts** tabs, and then click the **Buy Leads** button.

2 Click the **My Account** button to access your account information.

To Import Leads:

1 When you receive email notification that a new lead has arrived, click the **Contacts** tab, click the **Borrower Contacts** tab, and then click the **Import Leads** button.

2 On the Lead Center - Import Leads window, click the line item for one or more sets of leads, and then click **Import**.
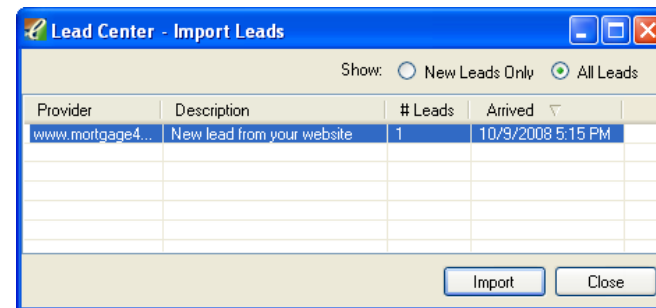
• Each line item is associated with the receipt of one email notification. Each receipt can contain one or more leads.

• The leads are imported to your contact list with the Type set to **Lead**, and the Referral field set to the name of the lead provider.

Getting the Most Out of Your Leads

To get the most from your leads:

• Import leads as soon as they arrive.

• Start an email campaign to immediately contact each lead.

• Follow-up with communications via email, fax, or phone.

Chapter 12

The Contacts Calendar and Tasks List

Contacts Calendar

Use the Contacts Calendar to manage your appointments and other scheduled events. Appointments can include comments, reminders, and references to borrower and business contacts.

To Add an Appointment:

1 Click the **Contacts** tab, click the **Calendar** tab, and then click the **New** icon.

   • Or, select a contact, click the **Extra** tab, and then click the **New** icon (in the Appointments section).

   • Or, click the **Calendar** tab, and then double-click the appointment panel.
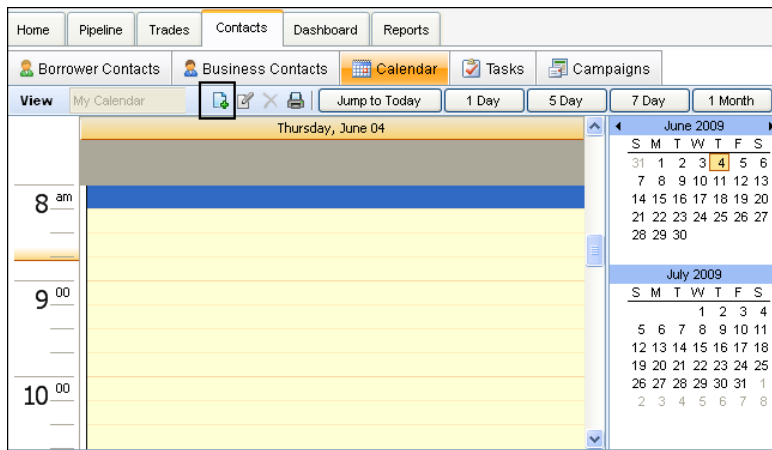
2 Enter basic appointment information: Subject, Location, Start and End Times, and Comments.

3 Click the **Bar Color** button to select a highlight color for the appointment.

4 To set a reminder, select the **Reminder** check box, and then select a time to display the reminder.

5 To set a recurring appointment:

   • Click **Recurrence**.

   • In the Recurrence pattern section, set the recurrence interval.

   • In the Range of recurrence section, set the start and end points.

   • Click **OK**.

6 To add contacts:

   • In the Additional Details section, click **Add**.

   • Select one or more contacts from the **Borrower Contacts** or **Business Contacts** tab.

   • Click **Done**.

   ***NOTE:** Select a contact and click **View** to view the contact's address, phone number, email address, and other information.*

7 Click **Add** to save the appointment.

To Edit an Appointment:

You can change the subject and time of appointments from the appointment panel or open the Appointment window to edit all appointment information.

1 To edit an appointment on the appointment panel:

- Click to select an appointment.
- Edit the subject text as required.
- Drag the top and bottom bars to change the start and end times.

2 To edit all appointment information:

- Select an appointment, and then click the **Edit** icon.
- Edit information as required, and then click **Update**.

To Delete an Appointment:

1 Select an appointment and then click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

To View Appointments:

- Click the **1 Day**, **5 Day**, **7 Day**, or **1 Month** buttons to set the number of days displayed on the appointment panel.

- To change the appointment dates displayed, click a date on the calendar panel to the right of the appointment details.

- To highlight the current date in the current view, click **Jump to Today**.

- To change the months displayed on the calendar panel, click the left and right arrows at the top of the panel.

To Print Appointments:

1 Click the **Print** icon at the top of the appointment panel to open the Printing Calendar window.

2 Change the settings if necessary, and then click **Preview** or **Print**.

Calendar Sharing

With calendar sharing, you can give other users permission to access your calendar, and you can ask other users for permission to access their calendars.

NOTE: *By default, Calendar Sharing is disabled on a company-wide basis. Your system administrator must enable Calendar Sharing.*

To Request Access to Another User's Calendar:

Before you can view another user's calendar, you must send a request to the user, and then the user must accept the request.

1 On the upper-left of the Calendar, select the **Team Member Calendar** option from the View list.
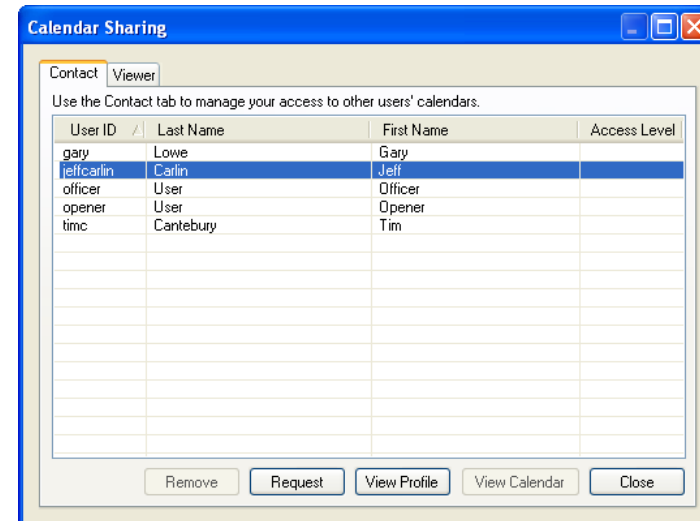
2 On the Calendar Sharing window, select the name of the user whose calendar you want to access, and then click **Request**.

3 On the Request Dialog, select the level of access you would like, enter an optional message, and then click **OK**.

The request is sent to the user and the user's Access Level on your Calendar Sharing window is set to Pending.

To Respond to a Request to View Your Calendar:

When another user requests access to your calendar, a message window automatically opens. Allow or deny the request as follows:

1 To allow the request, accept or change the requested Access Level (if needed), enter an optional message, and then click **Allow**.

2 To deny the request, click **Deny**.

- The response is sent to the requestor. If you allowed the request, your Access Level on the requester's Calendar Sharing window is set to Read Only, Partial, or Full.
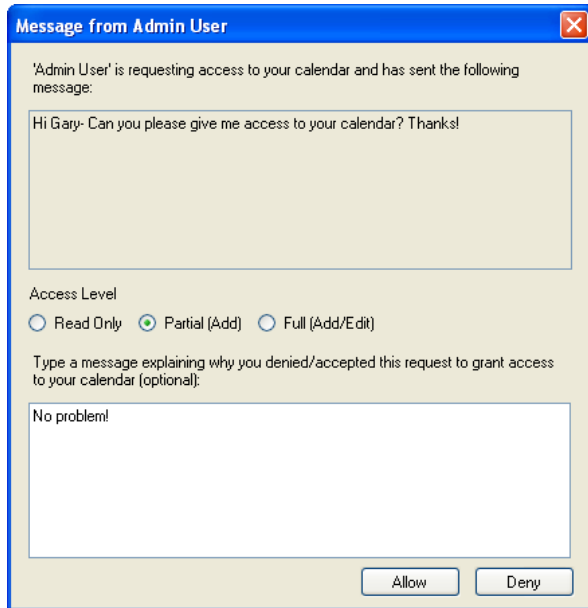
To Access Another User's Calendar:

1 Select the **Team Member Calendar** option from the list.

2 On the Calendar Sharing window, select a user whose Access Level is Read Only, Partial, or Full, and then click **View Calendar**.

- Depending on the access level, you can now view, add, or modify the user's calendar.

*NOTE: To remove your access to another user's Calendar, select the user and click **Remove**.*

3 To return to your calendar, select the **My Calendar** option from the View list.

To Manage the Access of Other Users to Your Calendar:

1 On the upper-left of the Calendar, select the **Team Member Calendar** option from the drop-down list.

2 On the Calendar Sharing window, click the **Viewer** tab to view the list of users who have access to your calendar.
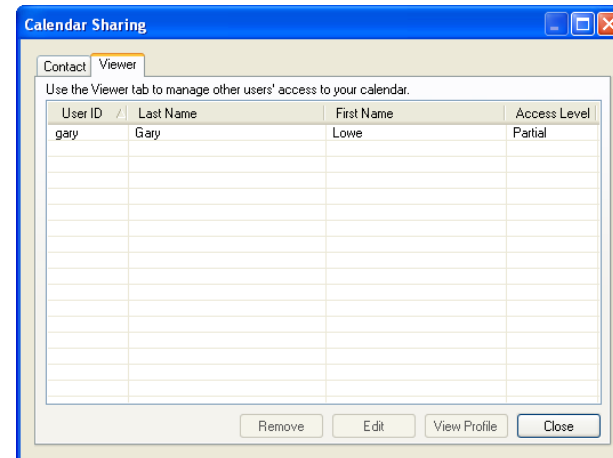
3 To modify access to your calendar:

- Select a user and click **Edit**.
- Select a new Access Level, enter an optional message, and then click **OK**.

4 To remove access to your calendar:

- Select a user and click **Remove**.
- Enter an optional message and click **OK**.

Tasks

Use the Tasks list to manage and track a list of tasks from creation to completion. Each task can include the following information:

- Subject, start, and due dates
- Status, priority, and comments
- Contact references

To Create a Task:

1 On the Contacts tab, click the **Tasks** tab, and then click the **New** icon.

2 On the Task Details window, enter a Subject for the task.

3 Select a Status and Priority.

4 To add a Start Date and Due Date, enter a date in the fields or click the drop-down arrow and select a date from the calendar.

5 Enter notes in the Comments field if needed.

6 To add contacts, click the **New** icon, click the **Borrower Contacts** or **Business Contacts** tab, select one or more contacts, and then click **Select**.

7 When finished, click **Add** to close the Task Details window and add the task to the Tasks list.

To Edit a Task:

1 Double-click a task on the list.

2 Change the Subject, Status, Priority, Due Date, Start Date, and comments.

3 To add contacts, click the **New** icon.

4 To delete contacts, click the **Delete** icon.

5 When finished, click **Save**.

To Delete a Task:

1 Select one or more tasks.

2 Click the **Delete** icon in the upper-right.

3 Click **Yes** in response to the confirmation message.

To Export to Excel:

1 Select one or more tasks and then click the **Excel** icon.

Excel opens and displays data for the selected tasks.

Chapter 13

Campaign Management

The Campaign Management feature enables authorized users to create and manage marketing campaigns to drive the acquisition of new leads or to maintain continuous communication with existing borrower and business contacts after a loan has closed. Marketing campaigns involve sending or scheduling one or more personalized communications (email, letter, phone call, fax, and reminder) to a group of contacts on a scheduled basis.

The Campaigns Home Page
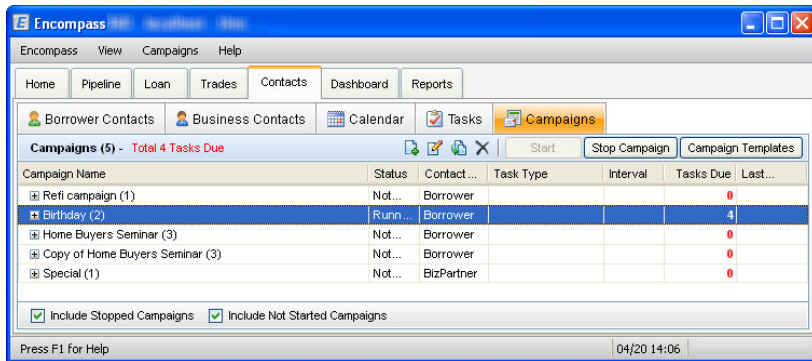
The campaigns home page displays your current campaigns and is the starting point for creating new campaigns and campaign templates, as well as managing and monitoring current campaigns.

- To view the steps for a campaign, click the plus sign (+) to the left of the campaign name. To hide the steps for a campaign, click the minus sign (–) to the left of the campaign name.

- To view the steps for all campaigns, right-click and then click **Expand All**. To hide the steps, right-click and then click **Collapse All**.

- To hide Stopped campaigns, clear the **Include Stopped Campaigns** check box located beneath the list. To hide campaigns that have not started, clear the **Include Not Started Campaigns** check box.

Creating a Campaign

When you create a marketing campaign, you specify contacts, campaign tasks, and any custom letters or email. You can include tasks, such as reminders, faxes, and phone calls, that will be added to your Contacts Calendar or Tasks list.

To Open the New Campaign Wizard:

1 Click the **Contacts** tab, click the **Campaigns** tab**,** and then click the **New** icon.

- The New Campaign Wizard opens.

  *NOTE: At this point you can select **Campaign Template** and then click the **Find** icon to select a previously created campaign template as a starting point for configuring your new campaign. Refer to "Stopping a Campaign" on page 374.*
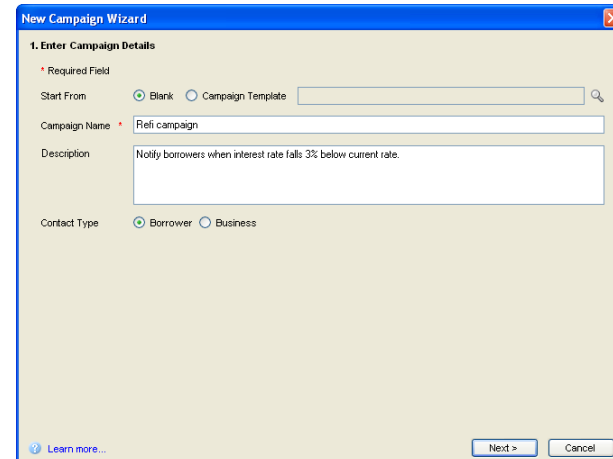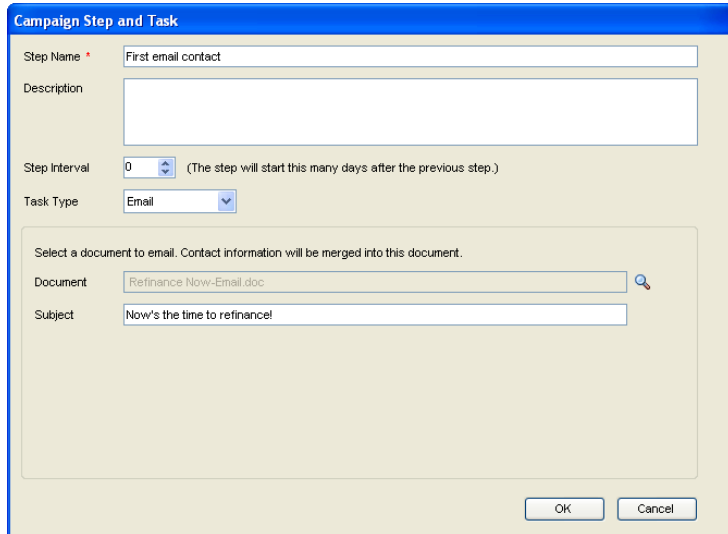
2 Enter a Campaign Name and an optional Description.

3 Select the Contact Type, **Borrower** or **Business**, and then click **Next**.

The New Campaign Wizard walks you through all the steps necessary to set up your marketing campaign. Setup includes two main components:

- Creating steps and tasks

- Adding contacts

To Create Campaign Steps and Tasks:

1 On the Create Campaign Steps window, click the **New** icon.

2 On the Campaign Step and Task window, enter a Step Name and Description.

3 In the Step Interval box, enter or select the number of days this step will occur after the previous step.

If this is the first step in the campaign, the number indicates the number of days the step will occur after the contact is added to the campaign.

4 Select a Task Type:

- If you select **Email**, click the **Find** icon to select the contents of the email from the list of custom letters, and then enter a Subject for the email.

- If you select **Letter** or **Fax**, click the **Find** icon to select the contents of the email from the list of custom letters.

- If you select **Phone Call** or **Reminder**, you can enter a Subject and Comments, and select a Priority and Bar Color. This information is used when the item is added as a calendar or task entry when the campaign is run.

5 Click **OK**.

6 Repeat steps 1 through 5 to add additional steps to the campaign, and then click **Next**.

Manage Contacts for a Campaign

On the Manage Contacts for the Campaign window, select **Manually add contacts** or **Automatically add contacts** using a search.

To Manually Add Contacts:

1 If you opted to add contacts manually, click **Next** to open the Add Contacts window.

2 To view contacts in a predefined group, select a group from the View Contact Group list.

- The All Contacts group contains all contacts you can view.

- The My Contacts group contains the contacts you own.

3 If this is a campaign for borrower contacts, select the **Show primary contacts only** check box to display only primary contacts.

4 Select one or more contacts, and then click **Add**.

5 Click **Next**.

To Automatically Manage Contacts Using a Search:

1 If you selected **Automatically add contacts using a search**, select **Remove Contacts Automatically** to automatically remove contacts that no longer match the search criteria.

- **Example**: if you are adding new contacts to a campaign, you can remove any contacts who are categorized as inactive leads after the campaign starts.

2 Select how often the query will run.

- Example: to search each month for contacts whose birthday occurs during that month, select Monthly

- If you select Custom, specify the number of days.

3 Click **Next**.

4 On the Create a Search for Adding contacts window, select **Predefined Search**, **Saved Search**, or **Advanced Search** to add contacts to the campaign.

Predefined Search

1 Select a predefined search from the list.

2 In the Filters section, specify additional criteria as required.

3 If this is a campaign for borrower contacts, select the **Add primary contacts only** check box to include only primary contacts in the search.

4 To test the query, click **Test**.

5 On the Query Results window, review the results of the test.

6 Click **OK**, and then click **Next**.

Saved Search

• Select the Saved Search option, select a saved search from the list, and then click Next.

NOTE: The list includes any search that you saved as a View on the Borrower Contacts tab.

Advanced Search

1 On the Contact Advanced Search Dialog window, click the **New** icon to create a search filter.

2 On the Add/Edit Search Filter window, click the **Find** icon to select a field as a search criteria.

3 Select a field from the list and click **OK**.

• Or, enter one or more characters in the Find field and then click **Find**. The first occurrence of the characters in any column is found. Continue clicking **Find** to view additional occurrences.

4 Select an Operator, enter (or select) a Value, and then click **OK**.

• The Operator and Value define how the field will be used to search for loans. For example: Field ID= 1109 (Loan Amount), Operator = Greater than, Value = 250000.

5 Click **OK**.

6 Repeat steps 1 through 5 to add more filters, and then click **Apply**.

7 If this is a campaign for borrower contacts, select the **Add primary contacts only** check box to include only primary contacts in the search.

8 To test the query, click **Test**.

9 On the Query Results window, review the results of the test, click **OK**, and then click **Next**.

10 If you opted to remove contacts automatically, the Create a Search for Removing Contacts window opens.

11 Select **Predefined Search**, **Saved Search**, or **Advanced Search**.

Predefined Search

1 Select a predefined search from the list.

2 In the Filters section, specify additional criteria as required.

3 To test the query, click **Test**.

4 On the Query Results window, review the results of the test.

5 Click **OK**, and then click **Next**.

Saved Search

• Select the Saved Search option, select a saved search from the list, and then click Next.

NOTE:The list includes any search that you saved as a View on the Borrower Contacts tab.

Advanced Search

1 On the Advanced Contact Search window, define your search criteria as described in steps 1 through 6 of the Advanced Search section above.

2 When finished, click **OK**.

3 To test the query, click **Test**.

4 On the Query Results window, review the results of the test, click **OK**, and then click **Next**.

Confirm Campaign Summary

1 On the Confirm Campaign Summary window, review the campaign setup parameters.

2 Click **Back** to make changes as needed.

3 Select the **Save as Campaign Template** check box to save the campaign as a template that you can use when creating future campaigns.

4 To save the campaign when you close the wizard, click **Save**.

• Or click **Save and Start Campaign** to save and start the campaign when you close the wizard.

5 If you selected the **Save as Campaign Template** check box, the Save Template window opens. Browse to the folder where the template will be stored. You can save the campaign template in a public folder if the system administrator has given rights to your user group.

Editing a Campaign Before it Starts

Before a campaign is started, you can reopen the Campaign Wizard and edit all information in the campaign.

To Edit a Campaign:

1 On the Campaign List, double-click a campaign with a status of Not Started.

2 Click **Next** to move through the wizard, making any changes necessary.

3 When all changes are complete, click a **Save** option.

To Duplicate a Campaign:

1 On the Campaign List page, select a campaign, and then click the **Duplicate** icon.

2 On the Duplicate Campaign window, enter a Name and Description.

3 Select the **Copy Campaign Contacts** check box to copy the contacts into the new campaign.

4 Click **OK**.

To Delete a Campaign:

1 On the Campaign List page, select a campaign and click the **Delete** icon.

2 Click **Yes** in response to the confirmation message.

Starting a Campaign and Completing Tasks

After you start a campaign, you can complete campaign tasks, but you can no longer edit the campaign name and description, steps, tasks, or task documents. You can also add or remove contacts, edit the query, and edit query frequency. Refer to "Working with Running Campaigns" on page 373 for details.
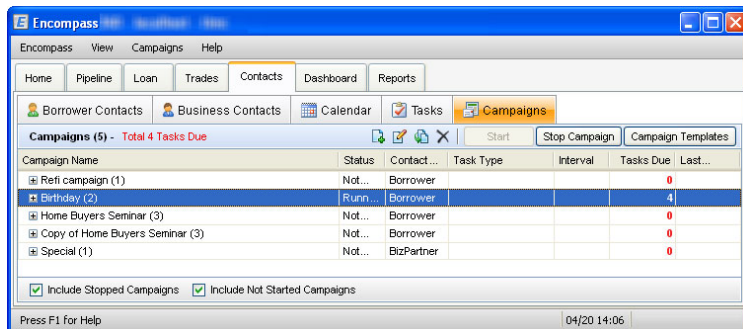
To Start a Campaign:

1 On the Campaigns tab, select a campaign with a status of Not Started, and then click the **Start** button.

2 In the Start Campaign window, click **Start Campaign**.

3 The campaign is started and the status is changed to Running.

To Complete Campaign Tasks:

1 On the Campaigns list, click a running campaign.

2 If a step has one or more tasks due, click the **Edit** icon to open the campaign, and then click the **Campaign Steps** tab.
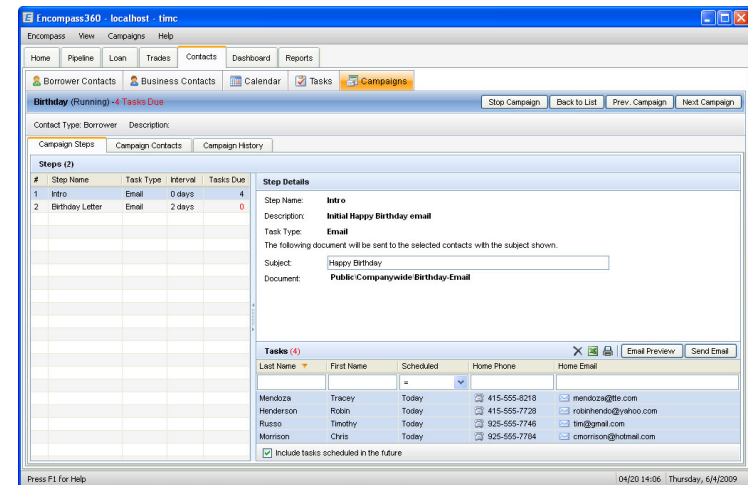
3 On the list of Campaign Steps, select a step with tasks you want to work on.

• The contacts associated with the selected step are listed on the Tasks section on the lower-right.

4 Complete each type of task as described in the next two sections.

5 When finished, click **Back to List**, **Next Campaign**, or **Prev. Campaign** to exit the campaign.

To Send an Email:

1 If the Task Type is Email, select one or more contacts.

2 Click **Email Preview** to view the attached document file that will be used for the contents of the email, and then click **Send Email**.

3 If a message displays indicating that contacts do not have email addresses, select one of the options (**Do not process** or **Remove from step**), and then click **OK**.

4 Click **OK** in response to the completion message.

To Print a Letter or Fax:

1 If the Task Type is Letter or Fax, select one or more contacts.

2 Click **Print Preview** to view the attached document file that will be used for the letter or fax, and then click **Print**.

3 Select a printer and click **OK**.

4 Click the **Complete** button and enter comments, if needed.

*NOTE: After you print a letter or fax, you must click the **Complete** button to remove the task from the list.*

To Add an Item to a Task List:

If the Task Type is Phone Call or Reminder, you can add the item to your (or another user's) Task List.

NOTE: *To add tasks to another user's Task List, you must be given authorization to do so in your assigned persona.*

1 Select one or more contacts, and then click **Add to Tasks** to open a Task Details window for each contact.

2 Enter or edit the Subject, Due Date, Start Date, Status, Priority, and other task information as required.

3 On the lower-left, select the Task List the task will be added to.

4 If you chose **Selected User's Task List**, select a name from the list of users.

5 Click **Save** to add the task for the contact, or click **Save All** to add the same task information for all of the contacts.

NOTE: *To remove a completed task from the list, select the task, and then click the **Complete** button.*

To Add an Item to a Calendar:

If the Task Type is Phone Call or Reminder, you can add the item to your (or another user's) Calendar.

NOTE: *To add tasks to another user's Calendar, you must be given authorization to do so in your assigned persona.Select one or more contacts, and then click **Add to Calendar** to open an Appointment window for each selected contact.*

1 Select one or more contacts, and then click **Add to Calendar** to open an Appointment window for each contact.

2 Enter or edit the Subject, Location, Start Time, End Time, and other appointment information as required.

3 Select the Calendar the appointment will be added to.

4 If you chose **Selected User's Calendar**, select a name from the list of users.

5 Click **Add** to add the appointment for the contact, or click **Add All** to add the same appointment information for all of the contacts.

NOTE: *To remove a completed task from the list, select a task, and then click the **Complete** button.*

To Perform Miscellaneous Task Actions:

Select one or more contacts, right-click the contact(s), and then:

- To print contact information, click **Print Contact Information**, and then click **Print**.
- To remove contacts from a step, click **Remove from Step**.
- To export contact information to a CSV file, click **Export as CSV**, select a location for the file, and then click **Export**.

NOTE: To include tasks that are scheduled in the future, select the check box at the bottom of the window. If the check box is not selected, task display only if they are past due or due today.

Working with Running Campaigns

After a campaign is running, you can no longer edit the campaign name and description, steps, tasks, or task documents. However, you can continue to edit queries, add or remove contacts, view campaign history, and stop the campaign.

To Edit a Query:

1 On the Campaigns list, click a running campaign.

2 Click the **Campaign Contacts** tab, and then click **Modify** to open the Campaign Search Queries window.

3 To edit an Add Contacts query:

- Click **Edit Search Query** in the Add Contacts section.
- Select a predefined query or create an advanced query and click **OK**.

4 To add or edit a Remove Contacts query:

- Click **Edit Search Query** in the Remove Contacts section.
- Select a predefined query or create an advanced query and click **OK**.

5 To disable automated queries for this campaign, clear the **Add contacts automatically using a search query** or **Remove contacts automatically using a search query** check box.

6 Select a Query Frequency to edit how often the query will run.

7 Click **Run Queries Now** to apply the changes and run the query immediately.

- Or click **Apply Changes** to apply the changes at the next scheduled query.

To Add and Remove Contacts:

1 With the campaign open, click the **Campaign Contacts** tab.

2 To add contacts to the campaign, click the **New** icon.

3 Select contacts to add, and then click **OK**.

4 To remove contacts from the campaign, select contacts to remove, and then click the **Delete** icon.

5 Click **Yes** to confirm the deletion.

To Add Contacts to a Contact Group:

1 With the campaign open, click the **Campaign Contacts** tab.

2 Select one or more contacts.

3 Click **Add to Group**.

4 Select a group.

- Or, click **Create New Group**, enter a name for the group, click **OK**, and then select the group.

5 Click **OK**.

Viewing Campaign History

The campaign history displays the campaign steps, task type, task status, the date the task was completed, the first and last name of the contact associated with the task, and the contact owner.

NOTE: Performing campaign tasks also results in history entries being added to the individual contact's history log.

To View Campaign History:

1 With the campaign open, click the **Campaign History** tab.

2 Select a range of time for the campaign history you want to view.

Stopping a Campaign

Once you stop a campaign, you can no longer perform campaign tasks. You can restart a stopped campaign.

To Stop a Campaign:

1 On the Campaigns list, click a running campaign and click **Stop Campaign**.

2 Click **Yes** in response to the confirmation message.

- The campaign is stopped and the status is changed to Stopped.

Creating and Managing Campaign Templates

When you create a campaign, you have the option of saving its settings as a campaign template. You can then save time and improve consistency by selecting a template as a starting point when you create new campaigns.

NOTE: You must be authorized by your system administrator (in your persona settings) to save and work with personal campaign templates. If your user group has been configured by your system administrator to allow you work with Public Campaigns, you can also save a campaign template in a public folder so that other users can use it to create their own campaigns.

From the Manage Campaign Templates window, you can also view, rename, delete, import, and export templates, as well as deploy campaigns to other users. You can organize your templates in folders and then use the cut, copy, and paste features to manage the contents of each folder.

To Create a New Campaign Template:

1 On the Contacts tab, click the **Campaigns** tab, and then click **Campaign Templates**.

2 On the Manage Campaign Templates window, click the **New** icon.

3 Follow the steps described in "Creating a Campaign" on page 202 to add contacts and steps.

4 On the Campaign Summary window, select the **Save as Campaign Template** check box.

5 Select a folder in which to place the template and click **Save**.

Exporting and Importing Campaign Templates

Use the import and export feature to exchange campaign templates with parties outside your Encompass system. The template file (with an .emcmpgn extension) contains campaign details, queries, and any associated custom letters.

To Export a Campaign Template

1 On the Manage Campaign Templates window, select one or more templates to export and then click **Export**.

2 On the Export Campaign Template(s) window, select a folder and then click **Export**.

3 Click **OK** in response to the completion message.

- You can now distribute the exported template file as needed, for example, by attaching it to an email.

NOTE: To protect the confidentiality of your contacts database, information about your contacts is not included when you export a template.

To Import a Campaign Template

1   On the Manage Campaign Templates window, open the folder in which you want to place the template and then click **Import**.

2   On the Import Campaign Template(s) window, select a template and click **Import.** The template is imported and is ready to use.

Deploying a Campaign

If your user profile authorizes you to work with public campaigns, you can assign a public campaign to other users. The campaign is added to the Campaign Lists of the assigned users and changes the status to Running.

To Deploy a Campaign:

1   On the Campaigns list, click **Campaign Templates**.

2   Select a campaign from the Public Campaign Templates folder and click **Deploy**.

Select the name of one or more users and click **OK**.

Chapter 14

Reports

Use the Reports tool to run predefined reports and to create your own custom reports. Report output displays in Microsoft Excel

You can generate reports that contain data from:

- Loan files, including loan, borrower, file contact, milestone, and document tracking data.
- Business contacts, including business details, marketing, completed loan, appointment, and custom fields data.
- Borrower contacts, including borrower, opportunity, marketing, completed loan, appointment, and custom fields data.
- Trades, including lists of trades, commitment positions, and MBS pools.

Access to Loan Files
The data on your report depends on your access to loan files as well as the criteria you select when you define the report. Your ability to access loans assigned to other users is based on your position in the organization hierarchy. Your report will include loans assigned to you, and loans of users directly below you in the hierarchy.

Access to the Trade Management Reports
For the Trade Management reports, you must have the Trades Reports setting on the Personas screen selected (located under the Reports section on the Trades/Contacts/Dashboard/Reports tab).

For *new* installs of Encompass, a Secondary Marketing Reports folder will be added, located under **Public Reports > Companywide.** Within this folder, there are sub-folders with various sample reports that can be viewed and edited for use (e.g., List of Trades, Commitment Position Report, and Hedge - Trade List).

For *existing* installs of Encompass, the Trades reports must be created from scratch. In addition, if you want a new folder/sub-folders to house these reports, you must create them under Personal Reports.

Access to the TPO Settings Reports
For the TPO Settings reports, you must have the TPO Settings Reports setting on the Personas screen selected (located under the Reports section on the Trades/Contacts/Dashboard/Reports tab).

For both new installs of Encompass and existing Encompass installs, the TPO Settings reports must be created from scratch. In addition, if you want a new folder/sub-folders to house these reports, you must create them under Personal Reports.

Creating a Report

You can copy (and then modify) an existing report or create a new report. For all three types of reports, you can define basic report information, report fields, and filters. For reports based on loan data, you can also specify milestones and loan folder criteria.

NOTE: You can maintain public and personal versions of resources such as loan templates, reports, and custom print forms. Each user's access to public versions of resources is defined in the User Group settings. The ability to manage personal versions of resources is defined in the Persona settings.

To Create Basic Report Information:

1 Click the **Reports** tab.
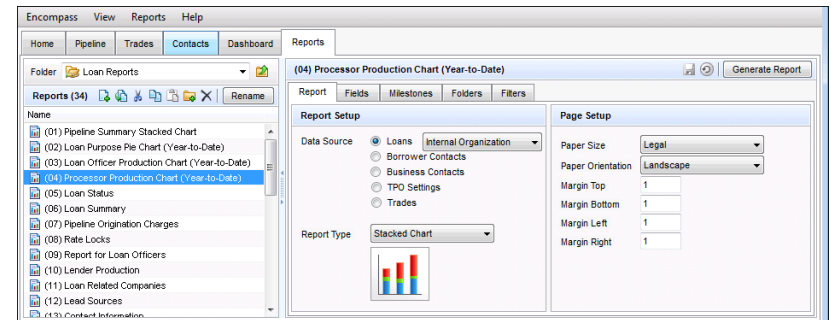
2 Click the **New** icon.

3 In the list of reports area, enter a report title. The title displays above the tabs in the right panel.

4 On the Report tab, select the type of data the report will contain: **Loans**, **Borrower Contacts**, **Business Contacts**, **TPO Settings**, or **Trades**.

- If you have selected **Loans**, from the drop-down list, select **Internal Organization** to create a report on loans originated in Encompass; or select **TPO** to create a report on loans submitted by TPO contacts.

NOTE: The Data Source drop-down list displays TPO by default.
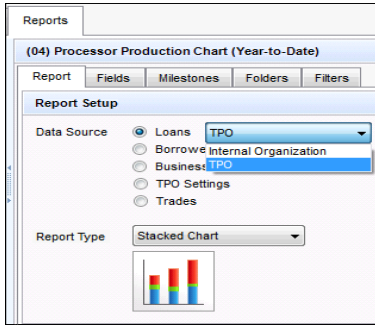
- If you have selected **Trades**, from the drop-down list, select the type of trade report you want to create.
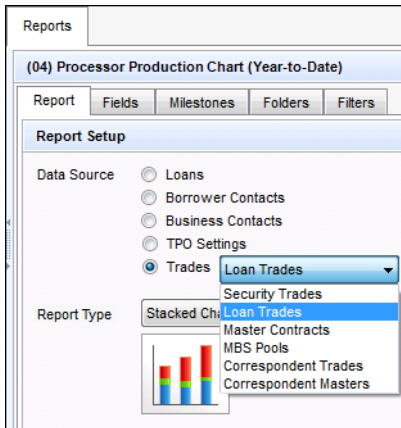
5 Select a Report Type.

6 In the Page Setup section, select a Paper Size and Paper Orientation.

7 Set the page margins.

8 Click the **Save** icon to save your changes.

Create Report Data

Each field you add is a column in the report, displaying from left to right.

To Add Encompass Fields:

1 Click the **Fields** tab.
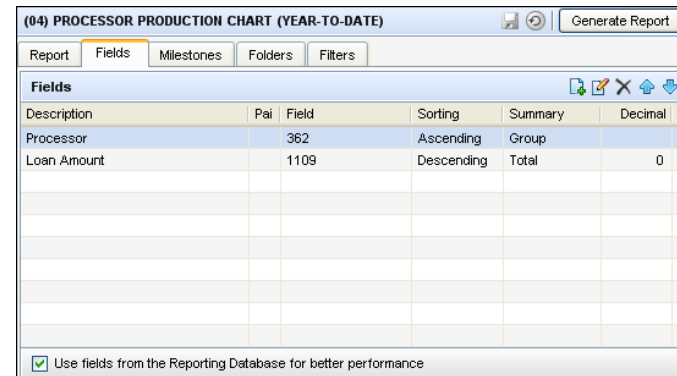
2 If you do not want to use fields from your Reporting Database, clear the check box at the bottom. Click **Yes** when the message asks you to confirm your decision.

NOTE: If you choose not use the fields from the Reporting Database, reports will rely on field data in individual loan files instead. Since the loan files need to be opened in order to acquire the field data, the time it takes to run reports may increase.

NOTE: Access to this check box is controlled by your system administrator.

3 Click the **New** icon to open the Field Properties window.
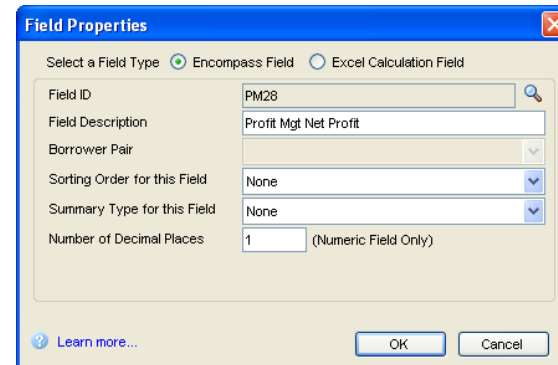
4 Select the **Encompass Field** option.

5 To find a field ID, click the **Find** icon. On the Select Field window, double-click to select a field from the list. You can also enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

NOTE: If you click a Document Tracking field, the Select Document Tracking window opens, enabling you to specify a document. Click the document and click Select.

- To find IDs for fields not listed in the Select Field window, move your mouse pointer over the field on the form on which it occurs. The ID is displayed.

NOTE: If you are not using the Reporting Database, you can also enter the field ID for the field.

6 Enter a field description to use as a column heading on the report.

7 If you selected a Borrower field, select an option from the Borrower Pair drop-down list to include co-mortgagor information in the report.

8 Select the sorting order.

9 Select how data in the column will be summarized.

10 For numeric fields, enter the number of decimal places to display on the report.

NOTE: If you are using fields from the Reporting Database, indicate the number of decimals (including zero). This will ensure that the formatted number includes commas where appropriate.

11 For contact reports, select an option at the bottom of the screen to report on the Last Originated Loan or Last Complete Loan.

12 Click **OK**.

13 Repeat steps 3 through 12 to add more fields.

14 Click the **Save** icon to save your changes.

To Add Excel Calculation Fields:

You can add Excel formulas to your report to calculate the data in the loan fields. Formulas can only be applied to fields included in the report. Each calculation you add is a column in the report, displaying from left to right.

1 Click the **New** icon to open the Field Properties window.

2 Select the **Excel Calculation Field** radio button.

3 Enter a field description to use as a column heading on the report.

4 Enter the Excel formula. Click the **Insert Field** button to insert a field in the formula.

5 Select how data in the column will be summarized.

6 Select how data in the column will be formatted.

7 For numeric fields, enter the number of decimal places to display on the report.

NOTE: If you are using a numeric field from the Reporting Database, indicate the number of decimals (including zero). This will ensure that the formatted number includes commas where appropriate.

8 Click **OK**.

9 Repeat steps 1 through 8 to add more calculation fields.

10 Click the **Save** icon to save your changes.

To Select Report Data by Milestones:

1 Click the **Milestones** tab.

2 Define the loans to include in the report as follows.

- Select the **Include all loan files without regard to milestone** option to include all loans, with no filtering.

- Select the **Define the loans to include in the report by milestone criteria** option to add milestone filters.

  - In the Include loans that are currently at these milestones section, select one or more core milestones. Loans whose current milestone matches the selected milestone (or one of the custom milestones associated with the core milestone) are included in the report.

  - In the Include loans that have finished a specific milestone section, select a core Milestone Finished from the drop-down list and then select a Time Frame from the drop-down list. Loans that achieved the core milestone during the time frame are included in the report.

3 Click the **Save** icon to save your changes.

To Select Report Data by Folders:

1 Click the **Folders** tab.

2 Select the loan folders to include in the report.

3 If you select the option to manually select loan folders, use the buttons to select all folders, and clear all selected folders, or select the specific folder to include.

4 Click the **Save** icon to save your changes.

To Filter Report Data:

1 Click the **Filters** tab.

- The check box at the bottom is selected by default, indicating that the filters will be selected from fields in your Reporting Database. Clear the check box to make all Encompass fields available as filters.

  NOTE: If you choose not to use the fields from the Reporting Database, reports will rely on field data in individual loan files instead. Since the loan files need to be opened in order to acquire the field data, the time it takes to run reports may increase.

- For TPO Settings reports, the **Include Child Folder** check box at the top enables the parent entity and all TPO entities below it to be automatically included in the report.

2 Click the **New** icon to open the Add/Edit Search Filter window.

*NOTE: When you use the **New** icon, the filter is added to the bottom of the filter list. To insert a filter above an existing filter, select a filter on the list, click **Insert**, and then define the filter as described in "Working with Filters" on page 214.*

3 To find a field ID, click the **Find** icon (magnifying glass). On the Select Field window, double-click to select a field. You can also enter one or more characters and click **Find**. The first occurrence of the character(s) in any column is found.

- To find IDs for fields that are not listed, move your mouse pointer over the field on the form on which it occurs. The ID is displayed.

NOTE: If you are not using the Reporting Database, you can enter the field ID.

4 Change the Description if needed.

5 Select an Operator, and then enter (or select) a Value.

- The Operator and Value define how the field will be used to search the loan data. For example: Field ID= **1109** (Loan Amount), Operator = **Greater than**, Value = **250000**.

6 Click **OK**.

7 Repeat steps 2 through 6 to add more fields.

Working with Filters

- You can use parentheses to control the order in which multiple filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.
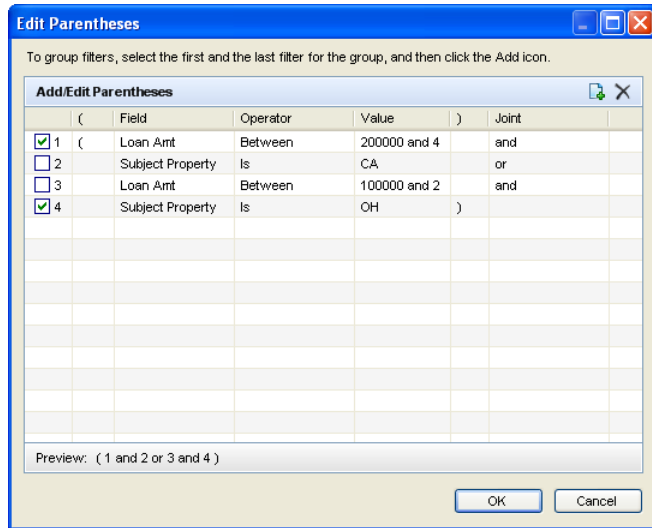
- To switch the qualifier (Joint) between multiple filters, click the **AND/OR** button.

- To view filters in a statement format, click the **View Filters** button.

- To edit a selected filter, click the **Edit** icon, make required changes, and then click **OK**.

- To delete a selected filter, click the **Delete** icon, and then click **Yes** in response to the confirmation message.

- To insert a filter above a selected filter, click **Insert**, and then define the filter as described above.

Working with Reports

When generating a report, you can apply filters to further tailor your results, including a date range and specific loan team member or user group. You can also edit, copy, move, rename, and delete reports.

To Generate a Report:

1 Select a report from a personal or public folder.

2 For reports based on loan fields, clear the check box at the bottom of the Fields or Filters tabs if you do not want to use fields from your Reporting Database. Click **Yes** when the message asks you to confirm your decision.

   NOTE: Access to this check box is controlled by your system administrator.

   - If you clear the check box, and any of the fields in the report are included in the Reporting Database, you will receive a warning message informing you that the fields will not be included in the report output.

   NOTE: The Reporting Database is created by your system administrator.

3 Click **Generate Report**.

   The Add Report Options window displays.
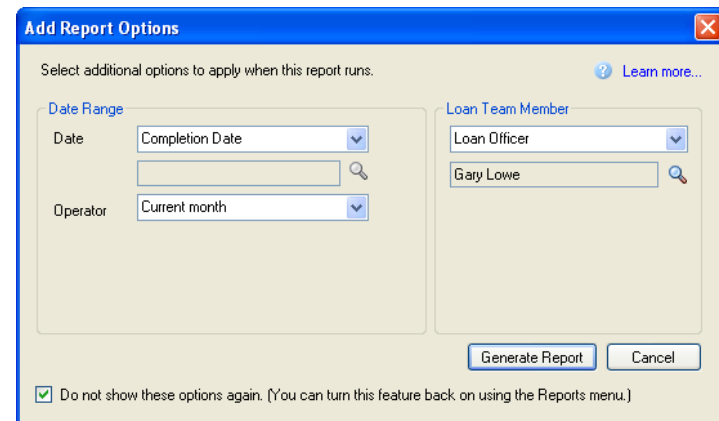
*NOTE: If the window does not display (and your administrator has enabled this option), click **Reports** on the file menu, and then click **Add Options when Reports Run**.*

4 To specify a date range for loans to include in the report, select a date field from the **Date** drop-down list.

   - If you selected Other, the Select Field Window opens, displaying field IDs for commonly used date fields. On the Select Field window, scroll down the list and double-click the desired field. You can also enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

   - Click the **Find** icon to select a different field ID.

5 Select a relative date range from the Operator drop-down list.

   Only loans with the selected date range in the selected date field are included in the report.

6 Select an organization, user group or loan team member from the Loan Team Member drop-down list to filter the report by loan team member.

- Select an organization, user group, or specific user, and then click **OK**.

- If you select a specific organization or user group, only loans whose loan team members belong to the organization or user group are included in the report.

- If you select a specific user, only loans where the user is an assigned loan team member are included in the report.

- Click the **Find** icon to select a different organization, group, or loan team member.

NOTE: If authorized by your administrator, select the Do not show these options again check box to prevent the Add Report Options window from displaying before generating a report. To turn this feature back on, click Reports on the menu bar, and then click Add Options when Reports Run.

7 Click the **Generate Report** button.

The output displays in Microsoft Excel.

*NOTE: If authorized by your administrator, select the **Do not show these options again** check box to prevent the Add Report Options window from displaying before generating a report. To turn this feature back on, click **Reports** in the file menu and click **Add Options when Reports Run**.*

To Edit a Report:

1 Select a report in a personal or public folder.

2 Change values on the Report, Milestones, and Folders tabs as required.

3 To change values on the Fields tab, select a field, click the **Edit** icon, make required changes on the Field Properties window, and then click **OK**.

4 To change values on the Filters tab, select a filter, click the **Edit** icon, make required changes on the Add/Edit Search Filter window, and then click **OK**.

5 Click the **Save** icon to save your changes.

*TIP: To discard all the changes made to the report, click the **Reset** icon prior to clicking the **Save** icon. Click **Yes** when asked to confirm the discard.*

Chapter 15

The Dashboard

The Dashboard displays snapshots of real-time loan information, historical data, and performance trends. You can view information such as an overview of loans in the Pipeline, partner activity and trends, and loan team member results. You can also create custom Dashboard configurations that display the specific loan information that you need, in either a tabular or graphical format.

Snapshots and Views

A snapshot contains loan data displayed in a tabular or graphical format. For example, you can view the number and dollar amount of loans that were started by each of your loan officers. Or you can view a bar chart that shows the number of loans at each milestone in your Pipeline.

Use the Split View feature to display details of the loans within the snapshot. You can also select a specific data point within the snapshot and view the details of the loans that make up that specific data point.

More than 30 preconfigured snapshots are available that you can use as is or customize to meet the needs of your company. You can also create new snapshots from scratch or by using a preconfigured snapshot as a starting point.

A view is a collection of snapshots displayed on the Dashboard. A view can contain from one to nine snapshots. You can use the default view provided by your system administrator (named Company View) or create your own custom views using any combination of preconfigured and custom snapshots.
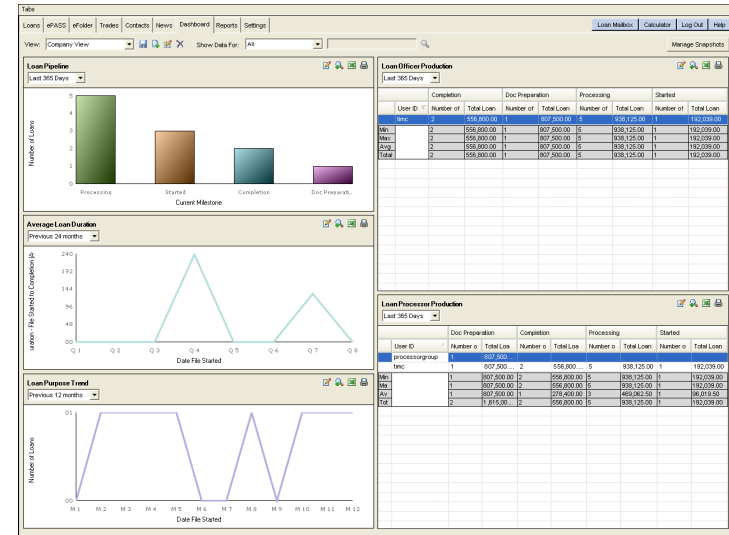
Viewing the Dashboard

Management snapshots provide real-time business information including activities and trends of loan officers, processors, lenders, and service providers. Refer to the Encompass online help for additional details about managing snapshots.

NOTE: The loans that display on the Dashboard depend on your access rights. You can view loans that you originate, loans on which you are a loan team member, loans that have loan team members who are below you in the organization hierarchy, or loans that belong to user groups in which you are a member.

1 Click the **Dashboard** tab.

The Dashboard displays using the layout of the current view (such as Company View).

2 To view data for a specific user or group of users, select an option from the **Show Data For** list. Then select the specific user name, user group, or organization. Click the **Save** icon to save the new selection to the view.

NOTE: You can save changes to a Public view only if your administrator has included you in a User Group with Edit rights to Dashboard View Templates. Only users with the Administrator or Super Administrator persona can view data for an organization or user group.

3 Use the options at the top of each snapshot as described below. You can also right-click a snapshot and select an option from the menu.

- **Change the date range of the displayed data** - Select a different date option from the list on the upper-right of a snapshot. Click the **Save** icon to save the new selection to the view.

- **Show loan data for all loans in the snapshot or loan data for a specific data point in the snapshot-** Click the **Show Split View** icon to display the details of the data in the snapshot. When you display the loan details, you can analyze the data that makes up the snapshot or a specific data point within the snapshot. You can also click a loan in a Split View table to open it on the Loan tab. Click the **Show Single View** icon to return to the full snapshot. (You can designate a loan table snapshot as the Default Drilldown view to display when you invoke the Split View option. See the "Snapshot Tab" on page 219 for details.)

*NOTE: To change the view that displays when you invoke the Split View option, click the **Find** icon (magnifying glass) in the split view area, select a snapshot, and click **Select**. The snapshot redisplays with the new snapshot data in the split view area. To return to the original (default) split view, click the **Reset** icon.*

- **Zoom in on snapshot data** - Click the **Zoom In** icon to expand the display of the selected snapshot. Click the **Zoom Out** icon to return to the full Dashboard view.

- **Export data to Microsoft Excel** - Click the **Excel** icon. A new Excel spreadsheet opens with the data from the snapshot displayed. You can then save and work with the data in the spreadsheet as needed.

- **Print the snapshot** - Click the **Print** icon. On the Print Preview window, click the **Print** icon.

- If you want to change the page orientation, click **File**, and then select **Page Setup**. Select the **Landscape** radio button, and then click **OK**.

Working with Views

You can select a different view, edit the current view, or create a new view. Use the View options on the upper-left of the Dashboard as described in the following pages.

To Select a Different View:

1 Click the **Find** icon next to the Dashboard View list on the upper-left of the Dashboard.

2 Select the Public or Personal folder, and then select a view from the Views list.

3 Click the **Select** button.
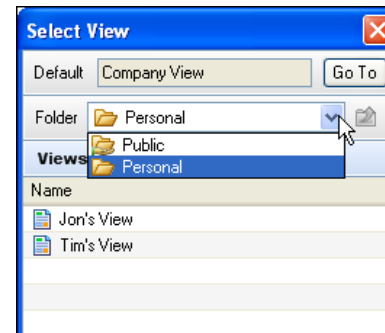
To Replace a Snapshot:

1 Right click a snapshot, and then click **Replace** on the menu.
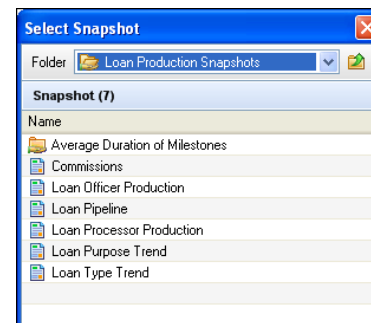
2 On the Select Snapshot window, select a snapshot, and then click **Select**.

3 To save the change to the current view, click the **Save** icon on the upper-left of the Dashboard.

When you leave the current Dashboard view, you will also be asked if you want to save any changes.

To Create a New View:

NOTE: You can only create and edit Dashboard views if your administrator has authorized your persona to manage your Personal View. When you open the Manage View window, you will have the option to create a new view in the Personal folder or, if authorized, a Public folder.

Views that you create are only available for your use. Only the default Company View can be accessed by all users.

1   Click the **Manage View** icon next to the Dashboard View list at the top of the Dashboard.
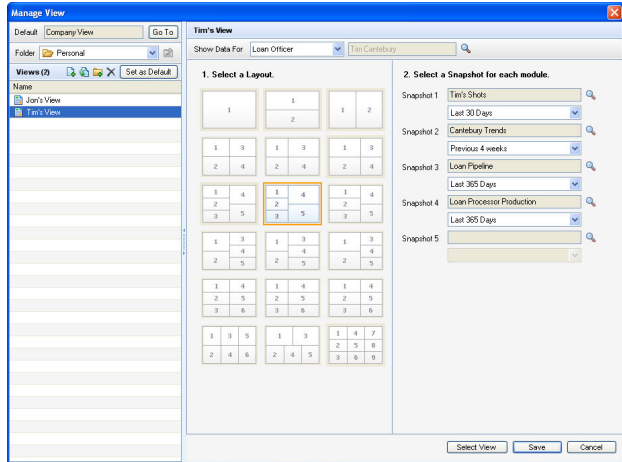
2   On the Manage View window, select the **Personal** or **Public** folder in which you want to create the new view from the Folder drop-down list.

3   Click the **New** icon.

4   Enter a name for the new view.

5   Select one of the layout options.

6   For each snapshot in the selected layout, click the **Find** icon, select a snapshot from the Public Dashboard Templates or Personal Dashboard Templates folders, and then click **Select**.

   NOTE: Views in the Public folder must contain public snapshots (snapshots located in the Public Dashboard Templates folder) only. If you want to include personal snapshots in a public view, you must first move the snapshots to the public Dashboard Templates folder.

7   If you want this new view to display when you open the Dashboard, click the **Set as Default** button at the top of the left panel.

8   When finished, click **Save**.

9   Click **Select View** to return to the Dashboard.

To Edit the Current View:

You can only edit views that you create. You cannot edit the default Company View (unless you have admin permissions).

1   Click the **Manage View** icon.

2   On the Manage View window, change layout options and snapshot selections as described in the To Create a New View: section.

3   When finished, click **Save**.

4   Click **Select View** to return to the Dashboard

Managing Snapshots

You can create new snapshots or customize existing snapshots to meet your needs. Using the Snapshot, Folders, and Filters tabs, you can define how to display loan data, select the folders to draw data from, and create filters to narrow the data to display.

NOTE: You can only create and edit snapshots if your administrator has authorized your persona to create and manage Personal Snapshot Templates. When you open the Manage Snapshots window, you will work with snapshots in the Personal Dashboard Templates folder or, if authorized, a Public Dashboard Templates folder.

To Create a New Snapshot:

1   Click **Manage Snapshots** on the upper-right of the Dashboard.
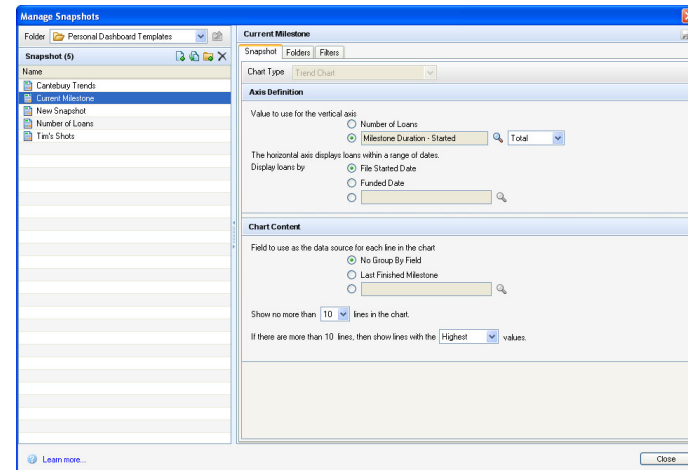
2 On the Manage Snapshots window, select the **Personal Dashboard Templates** folder, and then click the **New** icon.

- If you are an administrator, you can also create snapshots in the **Public Dashboard Templates** folder.

3 Rename the snapshot.

Snapshot Tab

1 Click the **Snapshot** tab.

2 Select a Chart Type from the drop-down list.

- **Bar Chart** - Displays selected loan data via a vertical and horizontal axis according to the selected date range.

- **Trend Chart** - Displays loan trends via a vertical and horizontal axis according to the selected date range.

- **Loan Table** - Displays loan data via columns according to the selected date range. Select **Default Drilldown Loan Table View** to display this loan table when the Split View option is invoked.

- **User Table** - Displays data measuring different user's roles in loans via columns and rows, according to the selected date range.

3 Define the data to display in the snapshot.

TIP: Refer to the online help topic "The Dashboard" in Encompass for detailed instructions.

Folders Tab

1 Click the **Folders** tab.

2 Select the folders from which to draw loan data.

3 Use the buttons to select all folders, select all folders except the (Archive) folder, and deselect all folders.

4 Click the **Save** icon.

Filters Tab

1 Click the **Filters** tab.

2 Click **New** icon to open the Add/Edit Search Filter window.

*NOTE: The **Add** button inserts a filter at the bottom of the list. To insert a filter above an existing filter, select the filter, click **Insert,** and then define the new filter as described in "Working with Filters" on page 220.*

3 To find a field ID, click the **Find** icon. On the Select Loan Filter window, double-click to select a field from the list. You can also enter one or more characters and click **Find**. The first occurrence of the characters in any column is found.

NOTE: Only fields contained in the Reporting Database can be included in snapshots. Contact your system administrator to add a field.

4 Change the Description if needed.

5 Select an Operator, and then and enter (or select) a Value.

- The Operator and Value define how the field will be used to search the loan data. For example: Field ID= **1109 (Loan Amount)**, Operator = **Greater than**, Value = **250000**.

6 Click **OK**.

7 Repeat steps 2 through 6 to add more fields.

8 You can use parentheses to control the order in which multiple filters are evaluated. Click **Parentheses**, select the filters to group, click the **New** icon, and then click **OK**.

9 Click the **Save** icon.

Working with Filters

- To switch the qualifier (Joint) between multiple filters, click **AND/OR**.
- To view filters in a statement format, click **View Filter**.
- To edit a filter, click **Edit Filter**, make required changes, and then click **OK**.
- To delete a selected filter, click **Remove**, and then click **Yes** in response to the confirmation message.
- To insert a filter above a selected filter, click **Insert**, and then define the filter as described above.

Working with Snapshots

To create a new snapshot from an existing snapshot:

1 Click **Manage Snapshots** on the upper-right of the Dashboard.

2 On the Manage Snapshots window, select a snapshot from the Personal Dashboard Templates folders.

3 On the Manage Snapshots window, click the **Duplicate** icon.

4 Rename the snapshot.

5 Set new data options as described in "To Create a New Snapshot:" on page 218.

6 To save your changes, click **Save**.

NOTE: If you are an administrator, you can also select a duplicate a snapshot in the Public Dashboard Templates folder. If you are not an administrator, you can copy a snapshot from the Public Dashboard Template folder to your Personal folder. To do this, right-click a snapshot in the Public Dashboard Template folder, select **Copy** *from the menu, open your Personal Dashboard Template folder, right-click in the snapshot list, and then select* **Paste***.*

To Edit a Snapshot:

1 Click the **Edit** icon associated with the snapshot you want to edit.

2 On the Edit Snapshot window, set new data options as described in "To Create a New Snapshot:" on page 218.

3 To save your changes, click the **Save** icon in the upper-right of the screen.

Chapter 16

Encompass Tools

The **Tools** tab is located in the left panel of the Loan Workspace. Open a loan and click a tool on the **Tools** tab to view or input data into the selected tool.

Amortization Schedule

The Amortization Schedule displays detailed information (such as principle, interest, and balance) for the life of the loan. You can view a Complete Schedule that displays details for every loan payment, or a Yearly Schedule that displays totals for each year of the loan.

When you open the amortization schedule, the schedule displays details for every payment throughout the life of the loan.

To Change the Report Type:

1 To change the report to display yearly totals, select **Yearly Schedule**.

2 To return to payment details, select **Complete Schedule**.

3 Click **Close** to close the schedule.

Anti-Steering Safe Harbor Disclosure

The Anti-Steering Safe Harbor Disclosure helps your company stay in compliance with the new anti-steering requirements. This disclosure enables the loan originator to provide the borrower with a variety of loans to choose from:

• The loan with the lowest interest rate

• The loan with the second-lowest interest rate

• The loan with the lowest settlement costs

• Another alternative loan

Use the Anti-Steering Safe Harbor Disclosure to enter information about the loan choices you are offering. Once you have provided at least three loan options for the borrower to choose from, you can send the disclosure to them. You can print the disclosure and then send it to the borrower via fax or postal service, or you can send it electronically. If you send the document electronically, the borrower will not be able to make their selection and enter the reasons why on the form (unless they print it out). Therefore, you may want to discuss the options with the borrower beforehand and then select their desired Loan Option and enter their reasons why before sending the disclosure electronically. If the borrower has decided to select a different loan, the loan originator can update the current loan file with data from the new loan using the Copy Selected Option to Loan button on the Anti-Steering Safe Harbor Disclosure.

NOTE: Your system administrator controls access to the Anti-Steering Safe Harbor Disclosure in the Persona settings or by making you a member of a user group and then granting permission to the group to access the disclosure.

To Provide Loan Options to the Borrower:

1 Open a loan in Encompass.

2 Click the **Tools** tab, and then click **Anti-Steering Safe Harbor Disclosure**.

3 Enter the borrower, property, and current loan information in the Loan Information section.

4 In the Loan Options section, enter the basic loan information for the loan with the lowest interest rate in the Loan Option 1 column.

5 Enter the basic loan information for the loan with the second lowest-interest rate in the Loan Option 2 column.

6 Enter the basic loan information for the loan with the lowest settlement costs in the Loan Option 3 column.

7 Optionally, enter the basic loan information for another loan you want to offer the borrower in the Loan Option 4 column.

NOTE: You may enter the borrower's current loan as a loan option.

8 To copy the current loan data to one of the Loan Options, click the **Copy from Loan Data** button.

- On the Copy from Loan Data window, select the Loan Option column to copy the current loan data into.
- Click **Yes** to confirm that you want to overwrite data in the selected Loan Option column with data from the current loan.

Send the Disclosure

- You can print the disclosure and then send it to the borrower via fax or postal service, or you can send it electronically.
- If you send the document electronically, the borrower will not be able to make their selection and enter the reasons why on the form (unless they print it out). Therefore, you may want to discuss the options with the borrower beforehand and then select their desired Loan Option and enter their reasons why before sending the disclosure electronically.
- For more information on sending disclosures electronically, refer to Send eDisclosure Documents.
- If you will be sending the Anti-Steering Disclosure form as part of an eDisclosure package, your administrator must use the Encompass settings to add the Anti-Steering Disclosure form to the eDisclosures packages.

To Add the Anti-Steering Disclosure Form to the eDisclosures Packages:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **eFolder Setup**, and then click **Documents**.

3 Click the **New** icon.

4 In the Name field, enter a name for the document (such as *Anti-Steering Safe Harbor Disclosure* or *Loan Options Disclosure*).

5 In the Type field, select Standard Form.

6 In the Source field, select Anti-Steering Safe Harbor Disclosure.

7 Enter the default Days to Receive and Days to Expire.

8 In the Available section, select a check box to configure whether documents are visible externally:

- **WebCenter** - The document or service will be visible to borrowers or partners via the WebCenter, Loan Center, or Encompass Consumer Connect. This option is used when documents are sent by clicking the **Send** button in the eFolder, and then clicking **Send Files**.
- **TPO WebCenter Portal** - When a loan has been originated on the TPO WebCenter or TPO Connect, the document or service will be visible to the loan originator via the TPO WebCenter. The document will become visible after the loan file is saved in Encompass.
- **EDM Lenders (Send Files to Lender)** - The document or service will be visible when files are sent to lenders. This option is used when documents are sent by clicking the **Send** button in the eFolder, and then clicking **Send to Lender**.

9 Select **Add this document to eDisclosure** packages.

10 Click the **Criteria** button to specify criteria for including the document in an eDisclosure package. The document is included only when one or more of the criteria are met.

11 Select a Signature Type from the list.

12 Click **OK**.

Retrieve the Borrower's Decision

There are several ways the borrower can acknowledge receipt of the disclosure and return their decision to the loan originator.

- The borrower can print the disclosure, select a check box for the Loan Option they want, provide reasons for the selection, and then sign the disclosure and return it via fax or postal service.
  - If the borrower wants to continue with their current loan, they can select the Loan Option that matches their loan (if provided by the loan originator) or they can select the **Other loan/not listed above** check box and then enter a description of their loan in the text box.

- If sent electronically, the borrower can electronically sign (eSign) the disclosure. By electronically signing the disclosure, the borrower is acknowledging that they received the disclosure and agree to the selected Loan Option and reasons why entered by the loan originator. The loan originator is notified via email when the disclosure is signed and they can retrieve the document in the Encompass eFolder.

To Update the Loan File:

1. To overwrite the current loan data with data from the selected Loan Option, click the **Copy Selected Option to Loan** button.

2. Click **Yes** to confirm you want to overwrite the current loan data with data from the selected Loan Option.

   NOTE: If the Loan Estimate has already been disclosed to the borrower, you cannot update the loan file with the new loan data using this tool (due to RESPA disclosure requirements). In order to proceed, select the Changed Circumstance check box on the LE, manually update the loan file with the new data, and then redisclose the LE to the borrower.

Audit Trail

Use the Audit Trail tool to view and export a history of changes made to selected fields in the loan file. Each time one of the fields is changed (and the loan file is saved), a record is created in the audit trail for that field. Each record contains the date of the change, the ID and name of the user who made the change, and the value the field was changed to.

The configuration of three areas (by your system administrator) determines the fields you can view in the Audit Trail tool:

- The Personas tool specifies Encompass personas who can access the Audit Trail tool.
- The Reporting Database tool in the Admin Tools specifies which loan fields require an audit trail.
- The Persona Access to Fields business rule defines field-specific access by persona.

To View and Export an Audit Trail:

1. Open a loan file, click the **Tools** tab, and then click **Audit Trail**.

2. To view an audit trail, enter a Field ID and click **Show**.

   - Or click the **Find** icon to find the list of fields for which audit have been created.

3. To export an audit trail, enter (or find) a field ID and click the **Excel** icon.

The data is exported and displays in a Microsoft Excel spreadsheet. You can then print or save the data to a file type such as XLS, CVS, or TXT.

Broker Check Calculation

Use the Broker Check Calculation tool to calculate the total fee to be paid to the broker. This tool is typically used by bankers who also fund loans originated by third-parties.

To Complete the Broker Information:

1. Click the **Address Book** to select a broker from your business contacts.

   - Or, enter a broker name and their contact information.

2. In the Check Confirmed field, enter the date that the final amount to be paid to the broker was agreed upon.

3. Click the Phone or Fax icons to open a Conversation Log window to record information related to a phone conversation or fax sent to the broker.

Items on the Fees List

- Items on the fees list are from the HUD-1 Settlement Statement.
- Only items checked as **Paid To Broker** and **not** checked as **Paid outside closing** on the HUD-1 are included.

Business Contacts

Use the Business Contacts tool to add business contacts to forms and to the Default Providers and File Contacts tools. Open the Business Contacts tool by clicking **Business Contacts** on the **Tools** tab. Once the tool is open, you can search for, add, edit, and delete business contacts.

NOTE: Refer to "Address Book" on page 23 to learn how to add information from the Business Contacts tool to a loan file.

To Search for a Business Contact:

1 On the **Tools** tab, click **Business Contacts**.

2 At the top of the Business Contacts window, select a category, and then enter all or part of your search term in one or more column fields (such as Company or First Name), and then click anywhere below the fields.

   Example: Above the Last Name column, enter the letters **la**, and then click anywhere in the table. The table displays only contacts with names that contain the **la** sequence of letter, such as **La**fayette or McLaughlin.

   • Entries in the column fields are not case sensitive, but must exactly match the text in the corresponding contact field.

   • To display all business contacts, click the **Clear** button.

To Create a Business Contact:

1 On the Business Contacts window, click the **New** icon.

   • You can also perform a search as described above, select a contact from the list, and then click the **Duplicate** icon.

2 Select the Category in which to include the contact.

   TIP: Use the Organization category to create information for each company/branch in your company. You can then open the Business Contacts window from page 3 of the 1003.

3 Add contact information in the Contact Details area.

To Edit a Business Contact:

1 Search for and select a contact.

2 Change values in the Contact Details area as required.

3 Click the **Save** icon to save your changes.

Cash-to-Close

Use the Cash-To-Close tool to access a summary of the amount of cash needed from the borrower to close the loan. The values are derived from the details on the 2015 Itemization form.

Changes made to fields in this tool change corresponding fields on loan forms such as the 2015 Itemization, Borrower Summary, and 1003 Loan Application.

References to the 2015 Itemization Form

The line items and amounts in the Cash-To-Close tool correspond to the same line items in the *Total Estimated Funds Needed to Close* section at the bottom of the 2015 Itemization form.

Collateral Tracking Tool

The Collateral Tracking tool tracks and captures dates and information for the Final Docs (Recorded Deed of Trust (DOT)/Mortgage and the original/paper copy of the Final Title Policy). The dates include the request(s) and receipt of the two Final Docs and the dates when the Final Docs are sent to the investor or document custodian Additional information such as the document custodian name and address, shipping/tracking information, and county recording information (DOT/Mortgage) can also be entered.

To Access the Collateral Tracking Tool:

1 From a loan, select the **Tools** tab.

2 On the left panel, select **Collateral Tracking.**

OR

3 On the menu bar, click **Tools**, and then select **Collateral Tracking**.

Note or Purchase Date

The Note or Purchase Date displayed will depend on the Channel (field ID 2626) on the Borrower Summary - Origination screen.

- If the Channel is "Correspondent", the Purchase Date (field ID 3567) from the Correspondent Purchase Advice Form is displayed.

- If the Channel is "Banked-Retail" or "Banked-Wholesale", the Document Date (field ID L770) from the Closing RegZ is displayed.

- If the Channel is blank, the channel from the Loans with no channel selected will be treated as field on the Channel Options settings screen (**Encompass > Settings > Loan Setup > Channel Options**) is used to determine the Note or Purchase Date.

  - If there is no value in the Loans with no channel selected will be treated as field, the Note or Purchase Date field is blank.

Next Follow-up Date

The Next Follow-up Date displayed is the Note or Purchase Date plus the value from the Initial Request Trigger Days on the Collateral Tracking settings screen (**Encompass > Settings > Business Rules > Collateral Tracking**).

NOTE: *If the Next Follow-up date falls on a weekend or holiday, it is moved back to the prior business day. The selected lock desk calendar on the Lock Desk Calendar tab (**Encompass > Settings > Secondary Setup > Lock Desk Setup**) is used to determine holidays.*

Days Outstanding

- If the Note or Purchase Date is blank, the Days Outstanding is also blank.

- If the Received Date is blank and there is a Note or Purchase Date, then the Days Outstanding displayed is the current date minus Note or Purchase Date.

- If the Received Date is not blank, then the Days Outstanding displayed is the Received Date minus Note or Purchase Date.

DOT/Mortgage Tab

Use this tab to capture initial request, shipping status, and return request information for the DOT/Mortgage.

Initial Requests

Use this tab to track request(s) for the DOT/Mortgage and when documents are received.

To Add an Initial Request for a Document:

1   Click the **Add Request** button.

    NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.
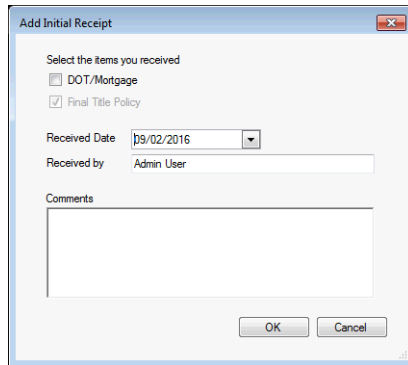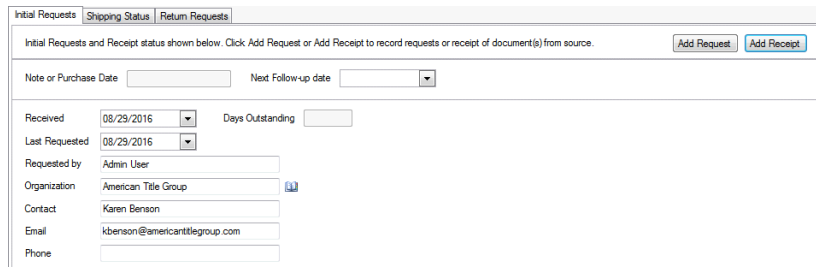

2   The DOT/Mortgage check box is automatically selected. You can select the Final Title Policy check box, if available.

    NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

3   The Requested Date is automatically populated with the current date, but can be edited.

4   The Requested By, Organization, and Contact fields are automatically populated as follows, but can be edited.

    • If the Channel is "Correspondent", the fields are populated with the TPO information.

    • If the Channel is "not "Correspondent", the fields are populated with the escrow company information.

    • If the **Address Book** icon is selected, the fields are populated with the business contact information.

5   Select the method used to make the initial request and enter the relevant information

6   Enter comments, as needed.

    NOTE: The maximum character limit is 500.

7   Click **OK**.

8   The corresponding fields on the Initial Requests tab are populated from the Add Initial Request pop-up window.

To Add the Initial Receipt of a Document:

1   Click the **Add Receipt** button.

    NOTE: If DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

2   The DOT/Mortgage check box is automatically selected. You can select the Final Title Policy check box, if available.

    NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

3   The Received Date is automatically populated with the current date, but can be edited.

4   The Received By is automatically populated, but can be edited.

5   Complete the remaining fields, as needed.

6 Enter comments, as needed.

NOTE: The maximum character limit is 500.

7 Click **OK**.

8 The corresponding fields on the Initial Requests tab are populated from the Add Initial Receipt pop-up window, but can be edited.
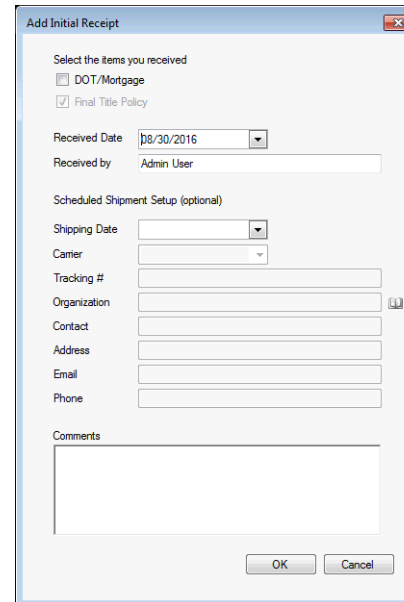

Scheduled Shipments

If you have **Scheduled Shipments** enabled on the Collateral Tracking Business Rules screen (**Encompass > Settings > Business Rules > Collateral Tracking**), you can schedule a document shipment at the same time you receive Final Docs. The shipment can be scheduled via the Add Initial Receipt pop-up window after the Initial Receipt information has been added.

To Add a Scheduled Shipment:

1 Click the **Add Receipt** button.

2 Select a Shipping Date.

3 Select a Preferred Carrier.

NOTE: The order in which the preferred carriers are listed can be edited on the Collateral Tracking Business Rules screen.

4 Enter a Tracking #.

5 Enter an Organization or click the **Address Book** icon to select one.

6 Enter a Contact. If the **Address Book** icon is selected, the Contact is populated, if available.

7 Enter an Address. If the **Address Book** icon is selected, the Address is populated, if available.

8 Complete the remaining fields, as needed.

9 Enter comments, as needed.

NOTE: The maximum character limit is 500.

10 Click **OK**.

11 The corresponding fields on the Shipping Status tab are populated from the Add Initial Receipt pop-up window, but can be edited.
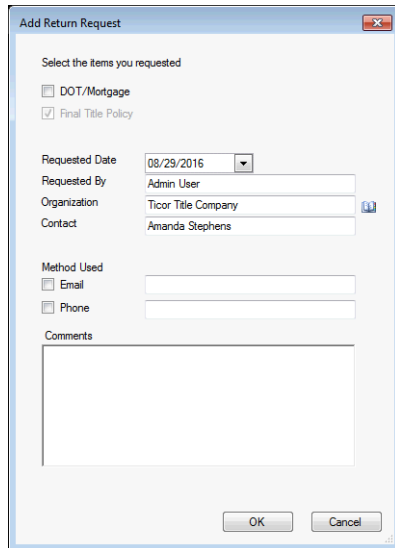

Shipping Status

Use this tab to track the shipping of the DOT/Mortgage to the investor or document custodian. If a scheduled shipment has been added, that data automatically populates the Add Shipment pop-up window.

To Add a Shipment:

1 Click the **Add Shipment** button.

NOTE: If the DOT/Mortgage has already shipped, you will be asked whether you want to override existing information.

2 The DOT/Mortgage check box is automatically selected. You can select the Final Title Policy check box, if available.

NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

3 The Shipping Date is automatically populated with the current date, but can be edited.

4 The Shipped By is automatically populated, but can be edited.

5 Select a Preferred Carrier.

NOTE: The order in which the preferred carriers are listed can be edited on the Collateral Tracking Business Rules screen.

6 Enter a Tracking #.

7 Enter an Organization or click the **Address Book** icon to select one.

8 Enter a Contact. If the **Address Book** icon is selected, the Contact is populated, if available.

9 Enter an Address. If the **Address Book** icon is selected, the Address is populated, if available.

10 Complete the remaining fields, as needed.

11 Enter comments, as needed.

NOTE: The maximum character limit is 500.

12 Click **OK**.

13 The corresponding fields on the Shipping Status tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Return Requests

Use this tab to track requests from the document custodian or other 3rd parties and when documents are received.

To Add a Return Request for a Document:

1 Click the **Add Request** button.

   NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

2 The DOT/Mortgage check box is automatically selected. You can select the Final Title Policy check box, if available.

   NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

3 The Requested Date is automatically populated with the current date, but can be edited.

4 The Requested By, Organization, and Contact fields are automatically populated, but can be edited.

5 Select the method used to make the return request and enter the relevant information.

6 Enter comments, as needed.

   NOTE: The maximum character limit is 500.

7 Click **OK**.

8 The corresponding fields on the Return Requests tab are populated from the Add Return Request pop-up window.

To Add the Return Receipt of a Document:

1 Click the **Add Receipt** button.

   NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

2 The DOT/Mortgage check box is automatically selected. You can select the Final Title Policy check box, if available.

   NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

3 The Received Date is automatically populated with the current date, but can be edited.

4 The Received By is automatically populated, but can be edited.

5 Enter comments, as needed.

   NOTE: The maximum character limit is 500.

6 Click **OK**.

7 The corresponding fields on the Initial Requests tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Final Title Policy Tab

Use this tab to capture initial request, shipping status, and return request information for the Final Title Policy.

Initial Requests

Use this tab to track request(s) for the Final Title Policy and when documents are received.

To Add an Initial Request for a Document:

1 Click the **Add Request** button.

NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

2 The Final Title Policy check box is automatically selected. You can select the DOT/Mortgage check box, if available.

NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

3 The Requested Date is automatically populated with the current date, but can be edited.

4 The Requested By, Organization, and Contact fields are automatically populated as follows, but can be edited.

- If the Channel is "Correspondent", the fields are populated with the TPO information.

- If the Channel is "not "Correspondent", the fields are populated with the escrow company information.

- If the **Address Book** icon is used, the fields are populated with the business contact information.

5 Select the method used to make the initial request and enter the relevant information

6 Enter comments, as needed.

NOTE: The maximum character limit is 500.

7 Click **OK**.

8 The corresponding fields on the Initial Requests tab are populated from the Add Initial Request pop-up window.

To Add the Initial Receipt of a Document:

1 Click the **Add Receipt** button.

   NOTE: If Final Title Policy has already been received, you will be asked whether you want to override the existing information.

2 The Final Title Policy check box is automatically selected. You can select the DOT/Mortgage check box, if available.

   NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

3 The Received Date is automatically populated with the current date, but can be edited.

4 The Received By is automatically populated, but can be edited.

5 Enter comments, as needed.

   NOTE: The maximum character limit is 500.

6 Click **OK**.

7 The corresponding fields on the Initial Requests tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Scheduled Shipments

If you have **Scheduled Shipments** enabled on the Collateral Tracking Business Rules screen (**Encompass > Settings > Business Rules > Collateral Tracking**), you can schedule a document shipment at the same time you receive Final Docs. The shipment can be scheduled via the Add Initial Receipt pop-up window after the Initial Receipt information has been added.

To Add a Scheduled Shipment:

1 Click the **Add Receipt** button.

2 Select a Shipping Date.

3 Select a Preferred Carrier.

   NOTE: The order in which the preferred carriers are listed can be edited on the Collateral Tracking Business Rules screen.

4 Enter a Tracking #.

5 Enter an Organization or click the **Address Book** icon to select one.

6 Enter a Contact. If the **Address Book** icon is selected, the Contact is populated, if available.

7 Enter an Address. If the **Address Book** icon is selected, the Address is populated, if available.

8 Complete the remaining fields, as needed.

9 Enter comments, as needed.

NOTE: The maximum character limit is 500.

10 Click **OK**.

11 The corresponding fields on the Shipping Status tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Shipping Status

Use this tab to track the shipping of the Final Title Policy to the investor or document custodian. If a scheduled shipment has been added, that data automatically populates the Add Shipment pop-up window.

To Add a Shipment:

1 Click the **Add Shipment** button.

NOTE: If the Final Title Policy has already shipped, you will be asked whether you want to override existing information.

2 The Final Title Policy check box is automatically selected. You can select the DOT/Mortgage check box, if available.

NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

3 The Shipping Date is automatically populated with the current date, but can be edited.

• The Shipped By is automatically populated, but can be edited.

4 Select a Preferred Carrier.

NOTE: The order in which the preferred carriers are listed can be edited on the Collateral Tracking Business Rules screen.

5 Enter a Tracking #.

6 Enter an Organization or click the **Address Book** icon to select one.

7 Enter a Contact. If the **Address Book** icon is selected, the Contact is populated, if available.

8 Enter an Address. If the **Address Book** icon is selected, the Address is populated, if available.

9 Complete the remaining fields, as needed.

10 Enter comments, as needed.

NOTE: The maximum character limit is 500.

11 Click **OK**.

• The corresponding fields on the Shipping Status tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Return Requests

Use this tab to track requests from the document custodian or other 3rd parties and when documents are received.

To Add a Return Request for a Document:

1 Click the **Add Request** button.

NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

2 The Final Title Policy check box is automatically selected. You can select the DOT/Mortgage check box, if available.

NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

- The Requested Date is automatically populated with the current date, but can be edited.
- The Requested By, Organization, and Contact fields are automatically populated, but can be edited.

3 Select the method used to make the return request and enter the relevant information.

4 Enter comments, as needed.
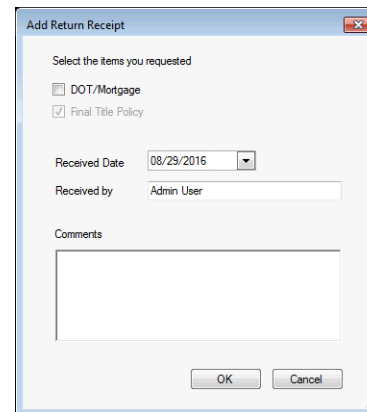
NOTE: The maximum character limit is 500.

5 Click **OK**.

6 The corresponding fields on the Return Requests tab are populated from the Add Return Request pop-up window.

To Add the Return Receipt of a Document:

1 Click the **Add Receipt** button.

NOTE: If the Final Title Policy has already been received, you will be asked whether you want to override the existing information.

2 The Final Title Policy check box is automatically selected. You can select the DOT/Mortgage check box, if available.

NOTE: If the DOT/Mortgage has already been received, you will be asked whether you want to override the existing information.

3 The Received Date is automatically populated with the current date, but can be edited.

- The Received By is automatically populated, but can be edited.

4 Enter comments, as needed.

NOTE: The maximum character limit is 500.

5 Click **OK**.

6 The corresponding fields on the Initial Requests tab are populated from the Add Initial Receipt pop-up window, but can be edited.

Tracking History

Use this section to see each Final Docs request, receipt, or shipment. Double-click on an entry to see the details of the transaction.

Comments

Use this section to view the comments associated with the Final Docs.

To Add a Comment:

1 Click **Add Comment** to enter a comment.

2 Enter your comment.

> **NOTE:** *The maximum character limit is 500.*

3 Click **OK**.

Co-Mortgagors

Use the Co-Mortgagor tool to manage the co-mortgagors associated with a loan. Co-mortgagors are added as borrower pairs, and each pair can include a borrower and co-borrower. When you add co-mortgagors to a loan, separate sets of forms are created to record co-mortgagor information.

To Access the Co-Mortgager Tool:

1 Open a loan file.

2 On the **Tools** tab, click **Co-Mortgagors**.

- Or, click the **Loan** menu and then click **Manage Borrowers**.

- Or, click the **Edit** icon to the right of the Borrowers list in the header above the loan file.

  • The Manage Borrowers window opens with the primary borrower at the top of the Borrower Pairs list. The borrower pair at the top of the list is always the primary borrower associated with the loan.

  • Detailed information about the Borrower and Co-Borrower displays at the bottom of the window.

To Add or Edit Borrower or Co-Borrower Information:

1 Select a Borrower Pair from the list.

2 Enter or edit information in the Borrower and Co-Borrower sections at the bottom of the window, and then click **Close**.

To Add a New Borrower Pair:

1 Click the **New** icon.

- A new Borrower Pair displays on the list.

2 Enter information in the Borrower and Co-Borrower sections.

To Change the Positions of Borrower Pairs:

- Select a borrower pair from the list, and then click the **Up** or **Down** arrows to change the pair's position. The pair at the top of the list (Pair 1) is always considered the primary borrower associated with the loan.

To Move Borrowers:

1 To swap the position of one borrower with another, select a borrower pair.

2 In the Borrower or Co-Borrower section, click the **Move** button.
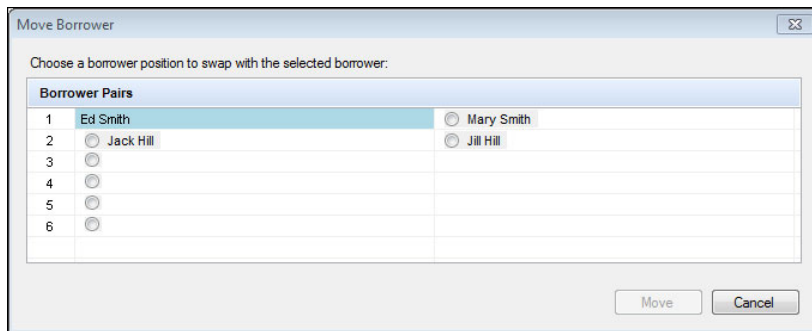
3 On the Move Borrower window, select the borrower whom you want to swap with the currently selected borrower, and then click **Move**.

4 Click **OK** when the confirmation window displays.

5 The positions of the two borrowers is now swapped.

When a borrower is moved:

- All borrower verifications (VOL, VOD, VOM, VOE and VOR) are moved.
- All field values in section VIII of the 1003 Page 3 are moved.
- All Gross Monthly Income information from the 1003 Page 2 is moved.
- Other Income information from the 1003 Page 2 is moved if there are enough empty lines in the Other Income section for the target borrower pair. If not, the information must be entered manually.
- The field values in section VI of the 1003 Page 2 are moved if the borrower being moved from one primary borrower position to another primary borrower position.

To Import Borrowers

Use the **Import** button to import a borrower or co-borrower from a FNMA 3.2 file, another Encompass loan file, or an entry in your borrower file contacts.

To Import a Borrower from a FNMA 3.2 File:

1 Click the **Import** button, and select **FNMA 3.2 file** as the Source.
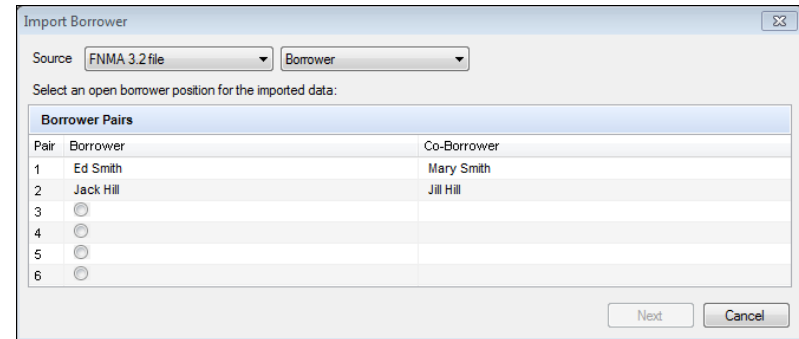
NOTE: The administrator can hide the FNMA 3.2 file option based on persona. If the FNMA 3.2 file option is not displayed in the Source drop-down list, your persona does not have access rights to this option.

2 Select **Borrower** or **Co-Borrower** from the list to import the information from the borrower or co-borrower in the FNMA 3.2 file.

3 Select the numbered position in the Borrower Pairs list where you want to import the borrower, and then click **Next**.

NOTE: If there are no borrowers currently entered for the borrower pair, the borrower will be imported as the borrower for the borrower pair. If a borrower already exists for the borrower pair, the borrower will be imported as the co-borrower for the borrower pair.

4 On the Import Borrower from Fannie Mae window, navigate to the folder where the FNMA file is located, select the file in the right panel, and then click **Import**.

To Import a Borrower from Another Loan File:

1 Click the **Import** button, and select **Another loan file** as the Source.

2 Select **Borrower** or **Co-Borrower** from the list to import the information from the borrower or co-borrower in the Encompass loan file

3 Select the numbered position in the Borrower Pairs list where you want to import the borrower, and then click **Next**.

NOTE: If there are no borrowers currently entered for the borrower pair, the borrower will be imported as the borrower for the borrower pair. If a borrower already exists for the borrower pair, the borrower will be imported as the co-borrower for the borrower pair.

4 On the Select Loan window, select the loan file, and then click **Select**.

To Import a Borrower from Your Borrower Contacts:

1 Click the **Import** button, and select **Contacts** as the Source.

2 Select the numbered position in the Borrower Pairs list where you want to import the borrower, and then click **Next**.

NOTE: If there are no borrowers currently entered for the borrower pair, the borrower will be imported as the borrower for the borrower pair. If a borrower already exists for the borrower pair, the borrower will be imported as the co-borrower for the borrower pair.

3 On the Borrower Contacts window, select a contact, and then click **Import**.

When a borrower is imported:

- For borrowers imported from an Encompass or Fannie Mae file, all borrower verifications (VOL, VOD, VOM, VOE, and VOR) are imported.
- All field values in section VIII of the 1003 Page 3 are imported.

To Delete a Borrower Pair:

1 On the Manage Borrowers window, select a borrower pair.

2 Click **Delete Borrower Pair**.

3 Click **Yes** in response to the confirmation message.

To Delete a Co-Borrower:

1 On the Manage Borrowers window, select a borrower pair.

2 Click **Delete Co-Borrower**.

3 Click **Yes** in response to the confirmation message.

View Co-Mortgagor Forms:

The Borrowers field at the upper-left of the Loan tab indicates the borrowers with whom the currently displayed loan forms are associated.

1 To work with the forms for a different borrower pair, change the selection on the Borrowers list.

2 Click the **Edit** icon to the right of the Borrower field to open the Co-Mortgagors tool.

Compliance Review

Use the Compliance Review tool to view and run compliance reports. When enabled by your system administrator, the Encompass Compliance Service enables you to perform a loan check (i.e., order a compliance report) at any point during the loan process. During a loan check, loans are reviewed for compliance issues based on Truth in Lending (TIL), Home Ownership and Equity Protection Act (HOEPA), State and Local High Cost, State Consumer Credit, and other industry regulations and mandates. Once the check is complete, a compliance report is generated indicating the loan's compliance issues and exceptions, as well as data within the loan that successfully passed the review**.**

NOTE: Refer to the "Compliance Review" online help topic in Encompass for detailed information about what is included a loan check.

To Access the Compliance Review Tool:

• On the **Tools** tab, click **Compliance Review**.

To Order a Compliance Report:

There are two methods for ordering a compliance report.

- **Automatic Ordering -** Encompass administrators can set up compliance reports to be run automatically at the completion of selected milestones using Compliance Review Setup. The latest compliance report is displayed in the Compliance Review screen.
- **Ordering Manually -** Use the Encompass Compliance Service to order a compliance report at any point during the loan process:

  1 Open the loan to be checked, click the **Tools** tab, and then click **Compliance Review**.

  2 Click **Order**.

Ordering a Preview Report

You can order a preview report to test for compliance issues before ordering a full compliance review report or disclosing to the borrower. Click the **Preview** button to order a preview report.

- With a preview, the final loan data is not reviewed. The results are based on the loan's current APR and finance charge amounts, not the disclosed values.

- The preview report that is returned features a message across the top that indicates that it is a preview report (and not a full compliance report).

Compliance Review Audit Results Window

If, when ordering a compliance report or preview report, compliance data is missing or inconsistent (and if enabled in Compliance Review Setup), the Compliance Review Audit window opens with a list of fatal errors and warnings. Select an item in the list, and then click **Go to Field** to open a form with the field highlighted for data entry. You can then enter a new value to correct the error.

- After correcting one or more items in the list, click the **Refresh** icon to update the list.

- After all Fatal errors are corrected, you can click **Order Review** to order a compliance report.

- All Fatal errors must be corrected in order to order a compliance report. A compliance report can still be ordered without correcting Warning messages.

- Click **Close** to close the Compliance Review Audit Results window.

Required Fields

The following Encompass fields must be populated in order for a loan check to be performed. When ordering a compliance report manually, an error message will display alerting you to provide the required data before ordering the report. If you have set up Automatic Ordering, the loan check will not be performed if any of the required data is missing.

- Loan Amount (Field ID 1109)
- Application Date (Field ID 3142) or Application Date (Field ID 745)
- Appraised Value (Field ID 356) or Estimated Appraised Value (Field ID 1821)
- Loan Term (Field ID 1347)
- Note Rate (Field ID 3)
- First Payment Date (Field ID 682)
- Index Value for ARM Loan (Field ID 688)
- Zip Code (Field ID 15)

To View a Compliance Review Report:

Every time a compliance report is ordered, an entry is added to the Log. The last report that was ordered is available to view on the Compliance Review screen. Reports ordered earlier are stored in the eFolder. To view an earlier report, click the entry in the Log. You can also click the eFolder icon to view a list of reports on the Documents tab.

To View the Latest Report on the Compliance Review Screen:

1   From the Pipeline, open the loan for which a compliance report was ordered.

2   Click the **Tools** tab, and then click **Compliance Review**.

Compliance reports contain separate sections for each review that was performed and provide the result of each review. When a compliance issue occurs, the data (or missing data) causing the issue is explained in the report.

The following reviews may be included in a report:

NOTE: Depending on the Compliance Review Setup configured by your administrator, certain reviews may not be performed during the loan check.

To View a List of a Loan's Compliance Issues:

To view a list of all errors, failures, alerts, or warnings returned in a report, click the **View Error List** button. The list includes the specific review that returned the issue, as well as a message explaining why the issue was returned. For example, "There is no geocode data for the property address. Please verify the address is correct."

If the issue was caused by data entered into a specific field in Encompass, the Field ID is included in the list. Click this item in the list, and then click **Go To Field** to jump directly to the field in Encompass.

The window listing the compliance issues remains open until you click **Close**, even when you jump to a field in Encompass. To order a new compliance report from this window, click **Order Review**. The report is displayed on the Compliance Review screen.

To View a List of Loan's Fees:

To view a list of all the fees processed during the loan check, click the **Fee Details** button. Fees that are not mapped correctly or have other issues are highlighted in red.

These issues should be corrected to ensure the most accurate compliance report results. Click a fee in the list, and then click **Go To Fee** to jump directly to the field in Encompass.

- The Compliance Review Fee Details window that lists the fees remains open until you click **Close**, even when you jump to a field in Encompass.

Compliance Review Log Alert

In order for a loan to pass a loan check, every review that was included in the report must return a status of "PASS". When a loan does not pass a loan check, a "Compliance Review - Did Not Pass" alert is added to the Alerts & Messages tab in the Log. To clear this alert, you can:

• Correct all the issues listed in the report, and then order a new compliance report. When the loan passes the loan check, the alert will be removed.

OR

• Click the **Clear Alert** button (if enabled by the administrator). Note that even though the alert is removed, the loan's compliance issues will remain until they are corrected.

Construction Loans

A construction-only loan is used to finance the improvement or construction of a home. These loans are typically short-term in nature, requiring interest-only payments during construction and final payment when construction is complete. Encompass provides sections within existing forms for entering construction-only loan information. The Encompass Compliance Service (ECS) will process a compliance review on a construction loan.

Scope of Review

Supported Transaction Types

To submit a compliance review for a construction loan, you must select a supported transaction type.

• **Construction-Only**

To submit a construction loan to ECS for review, select "Construction" for the Purpose of Loan (field ID 19) on the Borrower Summary – Origination form. See the Required Fields section for a list of data fields that are required to process a compliance review on a construction loan.

• **Construction to Permanent**

ECS will perform a loan review on a construction to permanent loan when the construction and permanent phases are disclosed separately, from two separate Encompass loans. In order to do so, two loans would need to be created – one loan (for the construction phase) should have a Purpose of Loan of "Construction". Construction phase disclosed separately (field ID 4084) should remain unchecked. The second loan (the permanent phase) should have a Purpose of Loan of "Refinance".

If a loan with Purpose of Loan "Construction - Permanent" is submitted, ECS will return an audit message indicating that the transaction type is not supported.

• **Amortization Type**

Currently, fixed rate construction phases are supported in Encompass and ECS. Adjustable Rate construction phases are not supported.

• **Number of Days**

Encompass and Encompass Compliance Service currently support "360/360" days for construction loan calculations.

Supported Reviews

ECS will process the Ability to Repay/Qualified Mortgage, TILA-REPSA, State High Cost, Federal Higher-Priced Mortgage Loan (HPML) Review, NMLS Review, OFAC Review, and LO Comp reviews on construction loans. See the *Using the Encompass Compliance Service* document for additional information on the Federal Higher-Priced Mortgage Loan (HPML) Review, NMLS Review, OFAC Review, and LO Comp reviews. See the *Encompass Compliance Service OFAC Review Frequently Asked Questions* document for more information on the OFAC review. Additional information about the Ability to Repay/Qualified Mortgage Review and TILA-RESPA Review is provided below.

• **Ability to Repay/Qualified Mortgage Review**

The Ability to Repay/Qualified Mortgage Review will apply to construction loans with terms of greater than 12 months. See the *ATR/QM Guide* for more information about the scope of tests performed under this review.

Construction loans with terms of less than or equal to 12 months, the compliance review will return the following PASS message under the ATR/QM Review:

This is an ATR Exempt Loan. It is a loan to finance the initial construction of a dwelling with a term of 12 months or less. It is not a "covered transaction" and is not subject to the Ability-to-Repay Requirements of Regulation Z Section 43. (12 CFR 1026.43(a)(3)(ii)-(iii))

• **General ATR Loan**

If a construction loan with a term greater than 12 months is reviewed as a General ATR Loan (i.e., Ability to Repay Loan Type [Field QM.X23] = "General ATR"), the compliance service will perform the following reviews: Higher-Priced Covered Transaction (HPCT), Section 32 Points and Fees, and Verification of Underwriting Factors.

• **TILA-RESPA (KBYO) Review**

ECS will apply all of the TILA-RESPA review components described in the *ECS TILA-RESPA Guide* to both construction and non-construction loans, with the exception of those reviews that are not applicable to construction transactions or only apply to unsupported products (such as construction ARM loans).

- **APR and Finance Charge Tolerance**

  For construction loans, ECS will calculate an APR and finance charge in accordance with Regulation Z (12 CFR Part 1026), Appendix D Part I. The disclosed (or current) APR will be compared to the ECS recalculated APR, and if the irregular APR tolerance ("0.125% for regular loans and 0.25% for irregular loans") option is selected in the compliance service setup, ECS will consider construction loans to be irregular loans, subject to the irregular (0.25%) APR tolerance.

  For more information about tolerance tests performed under the TILA-RESPA review, consult the *ECS TILA-RESPA Guide*.

- **Loan Product**

  The loan product will always consist of an "Interest Only" payment change feature and not a "Balloon Payment" feature (e.g. "1 Year Interest Only, Fixed Rate").

- **Projected Payments**

  For a construction loan, ECS will calculate a projected payments table that consists of interest-only payments followed by a balloon payment at the end of the construction period.

- **Adjustable Interest Rate**

  Adjustable rate construction loans are not currently supported by Encompass, so ECS will not perform this review on a construction loan.

- **Adjustable Payments**

  An Adjustable Payment table is not calculated for a construction loan.

- **High Cost Review**

  - **State High Cost Reviews**

    The compliance service will perform a state high cost review loans with property addresses in the following jurisdictions (subject to the construction term listed below, as well as other criteria as applicable):

    - California (for construction loans with terms > 12 months)
    - Connecticut (for construction loans with terms >= 12 months)
    - Kentucky
    - New Jersey
    - New Mexico (for construction loans with terms >= 18 months)
    - New York
    - South Carolina
    - Wisconsin (for construction loans with terms > 12 months)

  - The compliance review will not perform a state high cost review in Rhode Island. This will be implemented in a future release.

  - **Exempt from Federal High Cost Review**

    The compliance service will not perform a federal high cost review for a construction loan. Regulation Z provides that Section 32 does not apply to a transaction to finance the initial construction of a dwelling.

  - **Exempt for State High Cost Reviews**

    The compliance service will not perform a state or local high cost review for a construction loan in any of the following jurisdictions, Arkansas, Colorado, District of Columbia, Georgia, Indiana, Kentucky, Maine, Maryland, Nevada, Ohio, Oklahoma, Pennsylvania, Tennessee, and Texas, as they are all exempt from state high cost requirements.

  - **No State High Cost Review**

    Currently, fixed rate construction phases are supported in Encompass and ECS. Adjustable Rate construction phases are not supported.

  - **HMDA and HMDA Rate Spread Loan Enterprise Review**

    ECS will not process a HMDA or HMDA Rate Spread Loan Enterprise Review, as Regulation C does not include construction loans in the HMDA reporting requirements.

  - **Lender License, Broker License, State Rules and Higher-Rate Review**

    ECS will not process the Lender or Broker License or State Rules Reviews on construction loans.

Data Entry

ECS requires the following required fields to be completed in order to process a compliance review on a construction loan. Additionally, if applicable, the optional fields should be filled in.

Required Fields

- Est. Interest On (Field ID SYS.X6)

  - If "A (Half Loan)", the APR and Finance Charge will be calculated according to 12 CFR Part 1026 Part 1A. Additionally, the TIP, Projected Payments, and In 5 Years calculations will use interest payments calculated according to half of the commitment amount outstanding at the interest rate for the construction period.

  - If "B (Full Loan)", the APR and Finance Charge will be calculated according to 12 CFR Part 1026 Part 1B. Additionally, the TIP, Projected Payments, and In 5 Years calculations will use interest payments calculated according to the entire commitment amount outstanding at the interest rate for the construction period.

- Number of Days
  - Currently, only "360/360" is supported.
- Period (1176)
- Interest Rate (1677)
- Doc Signing Date (1887), Loan Disbursement Date (2553), or Estimated Closing Date (763)
- First Payment Date (682)
- Interest To Date (Field L245)
  - Both the Interest To Date and Interest From Date (L244) can both be set to the Loan Disbursement Date (2553) to indicate that there is no per diem interest.
- Interest From Date (Field L244)
- Estimated Value (Field 1821)
- Lien Position (Field 420)
- Loan Amortization (Field 608)
- Loan Amount (Field 2)
- Loan Type (Field 1172)
- Occupancy Type (Field 1811)
- Property State (Field 14)
- Property Type (Field 1041)
- Property Zip Code (Field 15)
- NMLS Loan Originator ID (if running the NMLS Review) (Field 3238)

Optional Fields

- Inspection Fee (Field ID 3899)
  - If there is an inspection fee collected after closing, and not reflected on the Loan Estimate or Closing Disclosure, that fee amount would be entered in the Inspection Fee field. This amount would be considered a subsequently paid finance charge, and will impact the calculated APR.
- Required Interest Reserves (Field ID 4086)
  - If there is a required interest reserve and the creditor prohibits the borrower from making interest payments, interest will be calculated on the Preliminary Construction Interest amount and will be included in the Estimated Construction Interest, thus impacting the calculated APR and finance charge amounts.
- Creditor Prohibits Borrower from Making Interest Payments (Field ID 4087)
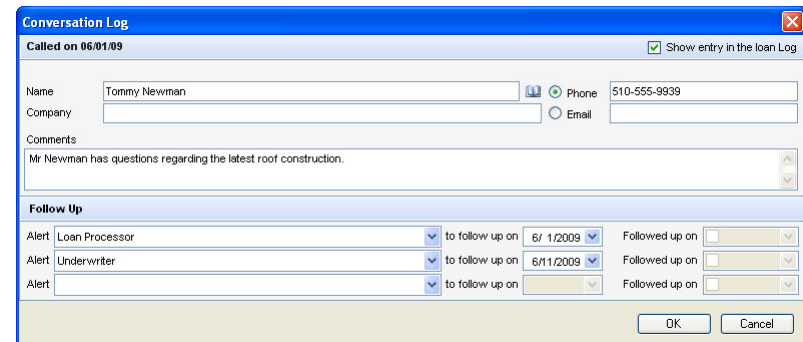
Conversation Log

Use the Conversation Log to track interactions with the borrower, service providers, and other contacts related to the loan. You can also send alerts to other loan team members requesting follow-up actions.

To Access the Conversation Log:

There are four ways to open a Conversation Log worksheet.

- In the Log, click the **New** icon, select **Conversation Log**, and then click **OK**.
- Click the **Tools** tab, click **Conversation Log**, and then click the **New** icon.
- 👤 👤 Click a **Borrower Contact** or **Business Contact** icon for a contact (found in the Default Providers tool, File Contacts tool, Pipeline, and Loan Workspace). After you click an icon, click a **phone number** or **email address**. A Conversation Log worksheet opens that corresponds to the contact and the open loan.
- Click a **Phone** or **Email** icon. A Conversation Log worksheet opens that corresponds to the contact.

TIP: *If you click an Email icon, a new Microsoft Outlook email message window opens also. If you want the content of the email message to become part of the loan file, simply copy and paste the message from Outlook to the Conversation Log worksheet.*

To Create a Conversation Log Entry:

1 On the Conversation Log worksheet, add or change the Name and Company, or click the **Address Book** icon to select from the file contacts for the loan.

2 Enter or change the phone number or email address as needed, and then select Phone or Email to indicate the conversation type.

3 In the Comments section, enter information related to the conversation.

4 If you do not want the Conversation Log entry to display in the Log, clear the **Show entry in the loan Log** check box.

- The entry will still be accessible from the Conversation Log list.

5 To request follow-up by a loan team member, in the Follow Up section, select a role, and then set the due date.

- A separate follow-up entry (with red text) is created in the Log.
- The alert displays on the selected loan team member's Pipeline.

To Edit a Conversation Log Entry:

1 Click the conversation entry in the Log.

- Or click the **Conversation Log** on the **Tools** tab and select the entry from the list.

2 Select the **Edit log** check box, and then edit the previous comments or add new comments as needed.

NOTE: If your company has chosen to lock conversation log entries, you will only be able to add comments in the New Comments section.

To Follow-Up on a Conversation Log Alert:

1 Click the red follow-up entry in the Log.

- Or click the follow-up alert on the Log's **Alerts & Messages** tab.
- Or click the **Conversation Log** on the **Tools** tab and select the entry from the list.

2 Select the **Edit log** check box.

3 After completion of the follow-up action, select the **Followed up on** check box. Change the followed-up date if necessary.

- The Conversation Log entry is updated with the follow-up information.
- The alert entry is changed from red to black in the Log.
- The alert is removed from the loan's alert list on your Pipeline and from the Alerts & Messages tab on the Log.

Delete a Conversation Log Entry

1 Click to select an entry in the Log.

- Or click **Conversation Log** on the **Tools** tab and then select an entry from the list.

2 Select the **Edit log** check box.

3 Click the **Delete** icon and then click **Yes** to confirm that you want to delete the entry.

Correspondent Loan Status

Use the Correspondent Loan Status tool to view a quick summary of the correspondent loan.

Commitment Numbers

The Master Commitment Number and Commitment Number fields are automatically populated from the Correspondent Buy Side Lock and Pricing Summary panel of the Secondary Registration screen after a loan is locked and its rate is confirmed.

Loan Status

Use this panel to document the current status of the correspondent loan and the date of its occurrence.

To Update the Loan Status:

1 Select the date for each stage of the loan life cycle (using the Calendar icon or typing the date).

- Received Date - The date when the correspondent buyer received the loan.
- Submitted for Review Date - The date when loan submitted for loan review or loan audit.

  NOTE: This field label was updated in Encompass 17.3 from Submitted for Purchase Date to Submitted for Review Date.

- Purchase Suspense Date - The date when the purchase was suspended.
- Latest Cond's Issued Date - The date when the most recent stipulations were issued.

  - This field label was updated in Encompass 17.3 from Latest Stips Issued Date to Latest Cond's Issued Date.

- Purchase Approval Date - The date on which the purchase was approved.
- Cleared for Purchase Date – The date when the buyer approved the loan for purchase.
- Purchase Date - The date when the loan was purchased.
- Rejected Date - If rejected, the date of loan rejection.
- Withdrawal Request Date - The date when an investor's "loan withdrawal" process should begin.

  NOTE: This field was added in Encompass 17.4.

- Withdrawn Date - The date when loan was withdrawn.
- Cancelled Date - The date the loan was canceled.

  NOTE: This field was added in the Encompass 17.3 August Service Pack.

- If a canceled loan is re-locked, this field is cleared when the request is locked and confirmed.
- This field cannot be populated on loans with active locks.
- This field will be automatically populated when a correspondent loan, not assigned to a trade, has been successfully canceled (**Cancel Lock** selected on the Lock Request Form or Secondary Registration).

  NOTE:This enhancement was added in the Encompass 17.4 November Service Pack.

  - If a canceled loan is assigned to a correspondent trade, this field is cleared.

    NOTE: This enhancement was added in the Encompass 18.1 February Service Pack.

- Voided Date - The date the loan was voided.

  NOTE: This field was added in the Encompass 17.3 August Service Pack.

  - This field cannot be populated on loans with active locks.

NOTE: In Encompass 17.4 and later, at any given time, only one (or none) of the following dates can be populated: Withdrawn Date, Cancelled Date, or Voided Date. If you attempt to populate two of these dates, an error message is displayed which will require you to clear one of the dates.

2 From the Correspondent Status drop-down field, select the matching loan status.

3 Click the **Save** icon.

Lock Details

This panel is mostly read-only and automatically populates from the Secondary Registration screen after a loan is locked and confirmed. You can update information in some fields.

To Update Lock Details:

1 In the Lock Date field, enter the date on which the rate was locked for this loan.

2 In the # of Days field, enter the number of days the rate lock is in effect.

3 In the Lock Expiration Date field, enter the date on which the rate lock expires.

4 In the Delivery Expiration Date field, enter the date the note was drawn for the loan.

5 In the Base Price field, enter the base price of the loan before price adjustments.

6 In the Final Price field, enter the price of the loan after price adjustments and before Service Release Premium (SRP).

7 The SRP Price field is read-only and is populated from the SRP Percentage field on the Correspondent Purchase Advice Form.

   NOTE: This field was added in Encompass 17.4.

8 Click the **Save** icon.

Loan Details

This panel is read-only and provides the original and unpaid principal balance and the note date.

- Original Principal Balance - populated with the value from the Total Loan Amount on the Correspondent Purchase Advice form if the channel is "Correspondent" and the loan was just purchased.
- Unpaid Principal Balance

  - Populated with the value from the Purchased Principal on the Interim Servicing Worksheetif the channel is "Correspondent" and interim servicing has started.
  - If the lock icon is not locked, the field is populated with the value from the Current Principal on the Correspondent Purchase Advice form if the channel is "Correspondent" and the loan was just purchased.
  - If the lock icon is locked, the field can be manually entered.
  - If the lock icon was locked but then unlocked:
    - The field is populated with the value from the Principal Balance, if available.
    - The field is populated with the value from the Current Principal, if the Principal Balance is blank.
  - When channel is "Correspondent", this field populates the Unpaid Principal Balance Amt on the ULDD - Fannie Mae tab.

- Note Date - populated with the value from the Document Date on the Closing RegZ screen when it is entered or updated.

Fee Details

This panel documents the late fee details (if any) associated with the loan. The information is automatically populated based on the late fee criteria defined in your company's TPO Company Settings. You can over-write the auto-populated information and update the fees if needed.

To Update Fee Details:

1 Click the blue **Lock** icon corresponding to each field.

2 Click the **Calendar** icon corresponding to each field and then select the date, or type the date.

   - Grace Period Start Date - The date that is the "Later of" the Grace Period Start Date selections in the Late Fee settings. If no Grace Period Start trigger dates have occurred, this field will be blank.

- Grace Period Start Date Trigger Date - the name of the field that triggered the Grace Period Start Date based on the Late Fee settings. If no Grace Period Start trigger dates have occurred, this field will be blank.

- Grace Period # of Days - The number of days past the deadline for which the late fee will be waived.

- Late Days Begin - The date from which the late fee is calculated.

- Late Days End - The last day of the late fee period after which the loan will be repriced.

- Late Days End Trigger Date - The name of the field selected in the Days Cleared section of the TPO Client Late Fee settings.

- Total Late Days (To Maximum if specified) - The total number of late days (excluding grace period).

3 Click the **Late Fee Details** button.

- Here the late fees being charged for loans in the Correspondent origination channel are provided. (These fees are configured using the External Company Setup>TPO Fees administrative setting). Click the blue **Lock** icons corresponding to the field that you want to update, type the data, and then click **OK**.

4 Click the **Save** icon.

Correspondent Purchase Advice

Use the Correspondent Purchase Advice Form to calculate the details of the purchase amount when you are buying a loan from an lender. Use the form to enter the impounds and principal amounts from the lender, and to calculate the amounts that you will include in the purchase advice statement that you send to the lender.

A custom output form (Correspondent Operations Purchase Advice) is available for download. This form can be used as the purchase advice statement that you send to the lender. To download this document to your computer, use the link below:

http://help.elliemae.com/DocumentationLibrary/CustomForms/Correspondent Purchase Advice.doc

Purchase Advice Tab

Basic Loan Information

Enter basic information about the loan purchase at the top of the form.

1 Open a loan file, click the **Tools** tab, and then click **Correspondent Purchase Advice Form**.

2 Enter or select the Purchase Date and the Wire Date. Typically these are the same date, but not always.

NOTE: For Encompass 17.2 and later, the value entered in this field will automatically populate the Purchase Date on the Correspondent Loan Status tool.

3 Enter the Lender Name or click the **Address Book** icon to select a lender form your business contacts.

4 Enter the Lender Loan Number if not already populated.

5 The Loan First Payment Date and Loan Amount are populated from the loan file.

6 In the Paid to Date field, enter the date on which the last loan payment was collected.

7 In the First Payment Date, enter the date when you will receive the first payment for the loan.

NOTE: Typically this is the date when the next payment is due. However, there are circumstances where the next payment might go to the lender, for example, if the loan is purchased close to the payment date and the statement has already been sent to the borrower.

8 Enter the amounts for the Current Impounds and Current Principal provided by the lender.

- TPO ID, Org ID, Master Commitment #, Commitment #, and Commitment Type fields are read-only and populated from elsewhere in the application.

  NOTE: Commitment Type is available for Encompass 17.3 and later.

- TPO ID and Org ID fields are automatically populated when the correspondent loan is submitted from a TPO WebCenter or TPO Connect website.

  NOTE: The TPO ID is the 10-digit unique identifier for the TPO company submitting the loan. Org ID is the organization code of the TPO company.

- The Master Commitment # and Commitment # fields are automatically populated from the Correspondent Buy Side Lock and Pricing Summary panel of the Secondary Lock tool after a loan is locked and its rate is confirmed.
- The Commitment Type field is automatically populated from the Correspondent Loan Status tool.

Warehouse Bank

Use the Warehouse Bank section to enter information on the warehouse bank on the wire.

1 Click the Lookup (magnifying glass) icon next to the Bank Name field. The Warehouse Bank Selector is displayed. The available warehouse banks include warehouse banks associated with TPO Extensions or TPO branches, as well as those defined to the parent TPO "company".

   NOTE: The list of available banks is populated from the Company Details Warehouse tab under External Company Setup. In Encompass 17.3.0.2 Server Patch 2 and later, the list of banks only include those that are "Approved".

2 Highlight the bank you want to use and then click Select.
   - Alternatively, you can double-click on the Bank Name.

3 The Bank Name, Account #, and ABA # are copied to the appropriate fields.
   - If a different warehouse bank is selected in the Warehouse Bank Selector, the Bank Name, Account #, and ABA # are updated accordingly.
   - If a different warehouse bank is selected in the Warehouse Bank Selector, the Wire Instructions Received and Bailee Letter Received fields are blanked out.

Pricing Reconciliation

Use the Pricing Reconciliation section to enter information use to calculate the final buy price.

1 In the Locked Buy Price field, enter the base buy price plus any price adjusters.

2 Use the Additional Adjusters fields to enter descriptions and percentages for any additional price adjustments.

   NOTE: A positive value represents amounts due to the lender. A negative amount represents an amount due to the investor.

3 The Final Buy Price will calculate based on the Lock Buy Price and Additional Adjuster entries.

4 Enter the SRP Percentage for the loan.

5 In the Reconciliation Comments field, enter comments related to the pricing reconciliation process.

Purchase Details

Use the Purchase Details section to enter additional payouts to the lender and calculate the total payment amount for the loan.

1. The first five rows in this section are calculated based on the entries made in the upper sections of the form. Click the **Lock** icons to edit the field values.

2. On the Interest row, click the **Edit** icon to change the interest calculations by adjusting the Number of Days or Per Diem Interest Rounding.

3. For Encompass 17.3 or later, the Total Buy Amount calculation is triggered if the Final Buy Price or SRP Amount changes.
   - Total Buy Amount = Final Buy Price + SRP Amount

4. Enter the Remaining Buydown Amount if any.

5. On the Late Fee row, click the **Edit** icon to view the Late Fee Details window. Here the late fees being charged for loans in the Correspondent origination channel are provided. (These fees are configured using the External Company Setup TPO Fees setting). Click the blue **Lock** icons corresponding to the field that you want to update, type the data, and then click **OK**.

6. Use the 12 blank fields to enter details of payouts made to the lender. For each payout, enter a description. Then enter the expected value for the amounts paid to the lender.
   - You can select a predefined description from the drop-down list. These descriptions are created using the Purchase Advice Form setting.

7. For Encompass 17.3 or later, the Total Fees calculation is triggered if any "fees" change.
   - Total Fees = sum of Late Fee + all Itemized Fees + Additional Fees

8. In the Date field, enter or select the date when the form was completed.

9. In the Completed By field, enter the name of the person who completed the Correspondent Purchase Advice form.

10. To update the Purchase Details data, click the **Update Balance** button.
    - For Encompass 17.3 or later, key fields on the Purchase Advice tab will be populated from the Payment History and Escrow Details tabs when the **Enable Payment History Tab and calculations** setting is enabled.

      *NOTE: Both the Payment History (if enabled) and the Escrow Details (if enabled) tabs should be viewed or processed just prior to clicking the **Update Balance** button to ensure that all on-screen calculations have occurred prior to posting the results to the Purchase Advice tab.*

    - When **Update Balance** is clicked and the Calculated Purchased Principal on the Payment History tab is not populated, none of the key fields on the Purchase Advice tab are updated from the Payment History tab.

    - When **Update Balance** is clicked and the Calculated Purchased Principal on the Payment History tab is populated, the following key fields on the Purchase Advice tab are updated from the Payment History tab.
      - 1st Payment Due from Borrower populates Loan First Payment Date if 1st Payment Due from Borrower is entered.
      - 1st Payment Due to Investor populates First Payment Due.
      - Calculated Purchased Principal populates Current Principal.
      - Calculated Purchased Principal populates Purchased Principal.

    - When the **Enable Escrow Details tab and calculations** setting is enabled, the **Update Balances** is clicked, and the Calculated Purchased Principal on the Payment History tab is entered, the following key fields on the Purchase Advice tab are updated from the Escrow Details tab.
      - Total Escrow net Funded by Investor populates Current Impounds.
      - Total Escrow net Funded by Investor populates Impounds.
      - Calculated Purchased Principal populates Current Principal.
      - Calculated Purchased Principal populates Purchased Principal.

Fees

To clearly indicate the fees associated with the loan, fees are automatically populated based on the rules defined for each loan and TPO.

- **Locked and Confirmed Loans -** When locked and confirmed, the (non late fee) fees from the Fees tab of the correspondent loan is populated into the form using the TPO Fee settings if the following criteria is met:

  - Channel Type is Correspondent.

  - Lock date is within the start and end date period of the fee.

  - Channel in the TPO Fees Settings is either Correspondent or All.

  - Conditional in the TPO Fees Settings is either Correspondent or All.

  The fee code, name, and fee amount are copied as a positive number (e.g., 100 - Funding Fee 100.00). The wire amount will be calculated after the fees are updated on the Correspondent Purchase Advice Form.

  If there are existing fees on the Correspondent Purchase Advice Form, no fees are automatically populated when Lock and Confirm is clicked. Users will need to use the Update Fees button to populate the fees from the TPO Fees settings and override the existing fees.

  NOTE: *When the button is clicked, a warning message, "All fees except late fees will be cleared. Would you like to continue?", is displayed.*

- **Not Locked and Confirmed Loans -** Loans are not considered locked if the lock date and lock expiration date fields are blank.The fees, however, still populate the Correspondent Purchase Advice Form when the conditions for the loan are met.

  - If there is no start and end dates, there are no restrictions and the fee is always added.

  - If there is an end date, but no start date, the fee is added until the end date is reached.

  - If there is a start date, but no end date, the fee is added after the start date and continues to be added until an end date is entered.

  NOTE: *This applies both when the fees are automatically populated and when the Update Fees button is clicked.*

Payment History Tab

Use the Payment History tab to calculate the unpaid principal balance, determine the payment breakdown based on the Seller's payment history, and determine first payment due to investor.

NOTE: *This tab is only displayed if the **Enable Payment History tab and calculations** setting is selected on the new Correspondent Purchase Advice setting under Secondary Setup.*

Principal Balance Calculator

- The Note Date can be populated from the Note Date on the Correspondent Loan Status tool or manually entered.

- The 1st Payment Due from Borrower can be populated from the 1st Payment Date from the RegZ - CD or manually entered.

- The Reduction prior to 1st Payment Due Date is manually entered.

  - When a principal reduction amount is entered, it will affect the Payment Amortization Table by reducing the starting Beginning Balance by the amount of the principal reduction.

- The Anticipated Purchase Date is manually entered.

  - Both Note Date and 1st Payment Due from Borrower must be entered before this field can be completed.

  - This field cannot be prior to the Note Date.

  - This field cannot be more than 1 month in the future.

- The 1st Payment Due to Investor is a calculated date.

- The entry of the Anticipated Purchase Date triggers the calculation for this field.
    - If the Anticipated Purchase Date is before the Cutoff Calendar Date (Correspondent Purchase Advice setting), then this field is equal to the 1st day of the month, a month after the Anticipated Purchase Date.
    - If the Anticipated Purchase Date is on or after the Cutoff Calendar Date (Correspondent Purchase Advice setting), then this field is equal to the 1st day of the month, two months after the Anticipated Purchase Date.
- The Calculated Purchased Principal is populated from the Payment Amortization Table.

Extra Principal Payments

When changes are made to this section, the Payment Amortization Table is reamortized.

To Add Extra Principal Payments:

1 Click the **Add i**con (up to 11 entries).

2 Enter a Payment Date.
    - The Payment Date cannot be outside of the month/year range of the Payment Amortization Table.
    - The Payment Date cannot be before the 1st Payment Due from Borrower.
    - The Payment Date cannot be on or after the 1st Payment Due Investor.

3 Enter an Additional Principal.

To Delete Extra Principal Payments:

1 Highlight the entries you want to delete.

2 Click the **Delete** icon.

3 Click **Yes** when prompted to confirm your action.

Payment Amortization Table

- Once the Original Loan Amount, Annual Interest Rate, Loan Period in Months, 1st Payment Due from Borrower, and 1st Payment Due to Investor are completed, the table is generated.
- The number of rows (months) displayed is determined by the Number of Months – Payment Amortization to display (Correspondent Purchase Advice setting).
- The starting Payment Date is determined by the 1st Payment Due from Borrower.
- The starting Beginning Balance is determined by the Original Loan Amount (minus the Reduction prior to 1st Payment Due Date).

- The Scheduled Payment is determined based on the amortization calculation (using starting Beginning Balance, Annual Interest Rate, and Loan Period in Months).
- The Extra Principal will reflect any manual Extra Principal Payments entries associated with that payment date.
- The Total Payment will equal the Scheduled Payment + Extra Principal.
- The Principal will be part of the amortization calculation + any Extra Principal.
- The Interest is part of the amortization calculation.
- The UPB Balance is equal to the Beginning Balance – Principal.

Escrow Details Tab

Use the Escrow Details tab to determine the total escrow to be net-funded. The tab will be auto-populated based on the 2015 Itemization form, 1000 series section.

*NOTE: This tab is only displayed if the **Enable Escrow Details tab and calculations** setting is selected on the new Correspondent Purchase Advice setting under Secondary Setup.*

Final CD – Reserves Deposited with Lender

- All fields except Reserves Calculated at Closing can be manually entered.
- Reserves Calculated at Closing is a calculated field based on the addition of fields in this section.

- When either of the drop-down escrow category fields are selected in the CD section, those values will populate in the both the Additional Escrow and Escrow Disbursements sections.

Additional Escrow – Payments Collected

- All fields up to Number of Payments can be manually entered.
- Number of Payments equals 1st Payment Due Investor - 1st Payment Due from Borrower.
- Sum of Payments equals sum of all fields above Number of Payments * Number of Payments.
- MI/MIP is determined by the calculations below but can edited.
  - When the Anticipated Purchase Date is first populated and the Mortgage Insurance (line 1003 of the 2015 Itemization form) is greater than zero, then the calculation is triggered.
  - If 1st Payment Due to Investor (Payment History tab) = 1st Payment Due from Borrower (Payment History tab), then this field equals zero or blank.
  - If 1st Payment Due to Investor > 1st Payment Due from Borrower and Anticipated Purchase Date (day) is prior to Cutoff Calendar Day (Correspondent Purchase Advice setting), and Anticipated Purchase Date(day) is not = 1, then this field equals zero or blank.
  - If 1st Payment Due to Investor > 1st Payment Due from Borrower and Anticipated Purchase Date is 1st of the month, then this field equals Mortgage Insurance (line 1003 of the 2015 Itemization form).
  - If 1st Payment Due to Investor > 1st Payment Due from Borrower and Anticipated Purchase Date(day) is on or after Cutoff Calendar Day (Correspondent Purchase Advice setting), then this field equals Mortgage Insurance (line 1003 of the 2015 Itemization form).
- Additional Escrow equals Sum of Payments + MI/MIP.

Escrow Disbursements

- All fields up to Escrows to be Paid by Seller can be manually entered.
- Escrows to be Paid by Seller equals the sum of all the fields above it.
- Total Escrow Net funded by Investor equals Reserves Calculated at Closing + Additional Escrow + Escrows to be Paid by Seller.

Warehouse Bank Details Tab

Use the Warehouse Bank Details tab to enter additional information on the Warehouse Bank on the wire such as loan specific warehouse bank information, business information about the warehouse bank (e.g., address,), warehouse bank contact information, and notes.

- The procedure to select a bank in the Loan Specific section is identical to selecting a warehouse bank on the Purchase Advice tab.

  NOTE: The list of available banks is populated from the Company Details Warehouse tab. In Encompass 17.3.0.2 Server Patch 2 and later, the list of banks only include those that are "Approved" via the Company Details Warehouse tab.

- The Business Information section is populated based on the information entered for the selected bank in the Loan Specific section.
- If Use Default Contact is selected in the Contact Information section, that section is populated based on the information entered for the selected bank in the Loan Specific section.
- The Use Default Contact check box is automatically selected in the Contact Information section when the Bank Name is entered.
  - All fields in this section will become read-only.
  - All fields in this section are populated from the Company Details Warehouse tab.

  *NOTE: To edit this section, clear the **Use Default Contact** check box.*

- The Notes section allows you to manually enter notes.

Debt Consolidation

Use the Debt Consolidation tool with a refinance loan to consolidate a prospective borrower's liabilities and optimize the potential monthly savings. For example, it may be advantageous for the borrower to pay off high-interest liabilities by increasing the amount of the loan.

NOTE: The Debt Consolidation tool is designed for use as a marketing tool for prospective borrowers, before beginning the application process. Changes made to fields in this tool change corresponding fields on loan forms such as the Borrower Summary and 1003 Loan Application.

To Calculate the Loan Amount and Monthly Savings:

1 Enter loan information and terms (or click the **Find** icon to the right of the Loan Programs field to select a template of predefined terms).

- Loan Type, Property will be, and Lien Position

- Interest Rate and Term (at the bottom of the screen)

2 Enter a Cash Out value if appropriate.

3 Enter liabilities. If you want a liability to be paid off as part of the refinancing loan, select the **Paid Off** check box.

- If you have additional liabilities recorded on the VOL, click **Show All (VOL)**, select a VOL, and then select the **Will be paid off** check box in the Debt Information section.

4 Click the **Calc New Loan** button.

- The New Loan amount is calculated by adding the liabilities to be paid off, the Cash Out value, and any Closing Costs from the 2015 Itemization form.

- The Mthly Pmt is calculated using the New Loan amount, Term, and Int Rate values.

- The Savings/mo is calculated by subtracting the Mthly Pmt for the new loan from the current monthly payment of the liabilities to be paid off.

To Recalculate the Loan and Savings:

Change values in one or more of the following areas to recalculate the potential monthly savings. Continue to make adjustments to optimize the savings per month.

1 Change the loan Term and Int Rate.

2 Add or remove liabilities from the list of those that will be paid off.

3 Adjust the Cash Out value.

4 Click **Calc New Loan**.

- The New Loan Amount, Mthly Pmt, and Savings/mo are recalculated.

Disclosure Tracking

The Disclosure Tracking tool provides disclosure timelines and tracking dates, the disclosure history, and the latest disclosure details. Use this tool to log Loan Estimate, Closing Disclosure, and other disclosures. View the "Disclosure Tracking Tool" on page 79 for detailed information about how to use each section of the tool.

ECS Data Viewer

Use the ECS Data Viewer tool to view data in fields that are exported to the Encompass Compliance Service (ECS).

NOTE: *Note: The data on this tool is read-only and cannot be edited.*

To Access and Use the ECS Viewer:

1 Open a loan file, click the Tools tab on the lower-left, and then click **ECS Data Viewer**.

2 Use the tool to view the data for the fields that are exported to ECS.

3 You can also click the buttons in the various sections to view a read-only pop-up window for the form or tool where the field data was entered.

File Contacts

The File Contacts tool contains the contacts and service providers associated with a loan. The tool provides a convenient means of viewing, maintaining, and printing all the file contacts for a loan from one location.

Adding File Contacts

There are several ways that file contacts are added to a loan.

• Default File Contacts - If you have created default file contacts (using the Default File Contacts tool on the Settings screen), they are automatically added as file contacts when you originate a loan.

• Business Contacts - You can click the Address Book icon (from a loan form or the File Contacts tool) and select existing business contacts to add to the file contacts for a loan.

• Automatic entry - File contacts such as borrowers, co-borrowers, and roles are automatically added to the File Contacts tool during the processing of a loan.

• Manual entry - You can enter file contact information in the File Contacts tool or on a loan form. Manually entered contacts are specific to the loan you are working on. They are not automatically added to the business contacts database.

To Add a Contact to the File Contact Tool Using the Address Book:

NOTE: The Address Book accesses information from the Business Contacts tool, which includes contact information only for service providers (business contacts). Contacts such as borrowers, co-borrowers, and roles are automatically added during processing of the loan.

1 Open the File Contacts tool and select a category from the list on the upper portion of the screen, for example **Appraiser**.

2 On the lower portion of the screen, right-click a contact field.

• The Business Contacts window opens and displays contacts associated with the selected contact category. In this example, the window will display a list of appraisers.

3 Select a contact from the list and click **Select**.

• The contact information is added to the File Contacts list.

4 As needed, make changes or additions to the data copied from the Address Book. These changes will not affect the source information in the business contacts database.

To Add or Update a File Contact Manually:

1 Open the File Contacts tool and select a category from the list on the upper portion of the screen.

2 On the lower portion of the screen, add or update the contact information.

• The new information is added to the loan and overrides any previously-entered data. For example, if you change the borrower's home phone number, the number is changed wherever it occurs in the loan.

To Add a File Contact from a Loan Form:

1 Click an **Address Book** icon associated with a service provider, such as the icon located next to the **Underwriting Fee** field on the Loan Estimate.

• The Business Contacts window opens, displaying contacts associated with the selected category of service provider.

2 Select a contact from the list and click **Select**.

• The contact information is added to the loan form and the File Contacts list.

NOTE: You can also enter the name of the service provider on the form. The name will be added to the File Contacts list.

Non-Borrowing Owner File Contacts

Use the File Contacts tool to add non-borrowing owners to a loan (for example, title-only spouses). Adding an individual as a non-borrowing owner contact places the contact into the correct workflow for disclosures and closing documents. Non-borrowing owner contacts are available as recipients when sending eConsent requests, document requests, eDisclosure packages, and files from the eFolder, and when sending Status Online updates for a loan. And eSigning points are also added to eSignable documents for non-borrowing owner contacts.

To Add a Non-Borrowing Owner File Contact:

1 Open a loan, click the **Tools** tab, and then click **File Contacts**.

2 In the File Contacts header, click the **Add** icon.

   • A Non-Borrowing Owner file contact is added to the end of the File Contacts list. When you click this file contact, a Non-Borrowing Owner contact record displays in the lower panel.

3 In the lower panel, enter the non-borrowing owner's name, contact information, vesting type, email address, and date of birth.

Funding Balancing Worksheet

Use the Funding Balancing Worksheet to view the Debits (funds coming into the transaction) and Credits (funds flowing out of the transaction).

• The Debits list always contains only the Loan Amount, Yield Spread Premium, and Service Release Premium.

• The Credits list contains the amount paid to the broker (from the Broker Check Calculation), the wire transfer amount (from the Funding Worksheet), and the itemized deductions (from the Funding Worksheet).

Funding Worksheet

Use the Funding Worksheet to record information related to the disbursement of the loan funds and to calculate the amount of the wire transfer. Many of the fields are populated from the Secondary Registration tool and other areas of the loan file.

Funding/Closing

Complete basic funding information in this section as follows.

- Funder - The name of loan team member assigned as the funder for the loan. You can enter a different name if needed.

- Sent to Funder - The date the Doc Signing Milestone was checked as Finished.

- Funding Type - The options are Gross (all of the funds will be transferred for disbursement) or Net (some fees, such as the banker fees, will be deducted before the funds are transferred).

- Clear to Close - From the Underwriter Summary, the date the underwriter authorized the loan for closing.

- Cleared By - The name of the underwriter who cleared the loan to close.

- Funds Ordered - The date the request for the wire transfer was created.

Investor

The three fields in this section are populated from the Secondary Registration tool.

Funding Source/Warehouse Bank

1 Click the **Address Book** icon to select a funding source or warehouse bank from your business contacts.

2 In the Funds Sent field, type or select the date the funds were wired to the investor.

3 In the Collateral Sent field, type or select the date the collateral package (security package) was sent to the investor.

4 If appropriate, in the Funds Released field, enter the date and time the funds were authorized for release. Then enter the associated release code in the Release # field.

Wire Information

1 Enter additional information related to the escrow company and title company.

   Most of this information will already be populated from the escrow and title company entries in the File Contacts list. You can also click the **Address Book** icon to select escrow and title companies from your business contacts.

2 Enter the information required for the wire transfer of funds to the bank account of an escrow or title company: ABA # (routing #), Account Number, and For Credit To (for an escrow company, the name of the account; for a title company, the name of the Escrow company involved in the closing process for the loan)

   This information will be used to transfer the Wire Transfer Amount from the table in the next section. Complete wire transfer information for only one company.

Wire Transfer Amount

This section is used to determine the funds to be transferred to account of the escrow or title company. By default, the items displayed on the list of fees are those that are not marked as Paid Outside of Closing on the HUD-1 Page 2 form or inside the fee's Fee Details window (via the 2015 Itemization form). When you select an item from the list, the fee is deducted from the wire transfer amount

- Select the items to deduct from the wire transfer amount. Deductions typically include fees paid to the broker and to parties other than the lender.

- Use the Overwire Amount field to add an additional amount to the wire transfer total as needed.

To Add Additional Amounts to the Wire Transfer Total:

1 Select the check box to deduct the Overwire Amount from the broker check.

2 From the list of fees (HUD-1 Page 2 fees when using 2010 RESPA forms; CD fees when using 2015 RESPA-TILA forms), select the check boxes for the items to deduct from the wire transfer amount.

   - Deductions typically include fees paid to the broker and to parties other than the lender.

   NOTE: You can also click the Select Template button to choose a template of preselected fees.

3 To add or deduct fees that are included on HUD-1 Page 1 or CD:

- Click the **HUD-1 Page 1** button (when working with 2010 forms) or the **Transaction Summary** button (when working with 2015 forms).

- On the pop-up window, select **C** (credit) or **D** (debit) for those fees that will be added to or deducted from the wire transfer amount. Credits are added and debits are deducted.

- When finished, click **Close**.

- Back on the main form, the selected fees are now included on the list of fees. Select the check boxes for the fees that you want to add to, or deduct from, the wire transfer amount. Values preceded by a minus sign are credits that will be added to the wire transfer amount if selected.

4 Use the Lender Credits field for the amount to add back to the wire for the credit shown on the Closing Disclosure. This amount includes the lump sum Lender Credit, which is any unallocated Origination Credit for the rate chosen and any tolerance cure that has been applied prior to funding. Watch the Entering Lender Credits tutorial for more information.

- By default, the Lender Credits amount does not include any allocated Origination Credit or other Lender-paid costs. To include these amounts, click the blue **Lock** icon, and then manually add the amount required to the amount already entered in the Lender Credits field. For example, if $1,000 has already been calculated and entered into the Lender Credits field, and you want to include an allocated Origination Credit in the amount of $500, you would type $1,500 in the Lender Credits field.

- The amount of allocated Origination Credit and Lender-paid closing costs is located on the 2015 Itemization form in the Total Lender Paid CC field (field ID LENPCC) located in the Closing Costs Summary section.

Interim Servicing Worksheet

Use the Interim Servicing Worksheet to view and manage interim loan payments and escrow disbursements. Information on this worksheet is included on the printed statements sent to customers when loan payments are due.

To Complete the Interim Servicing Worksheet:

1 Click the Tools tab, and then click Interim Servicing Worksheet.

2 To populate the worksheet and begin servicing the loan, click Start Servicing.

- Values are added to the fields based on data in the loan file. If there are changes to the loan after servicing has started, click **Start Servicing** again to replace the current values with updated values. (All of the worksheet's current data, including the Account Transaction list, will be lost.)

NOTE: If the Interim Servicing Worksheet Statement Due alert displays at the top of the form, you must print the form specified in the Servicing tool on the Encompass Settings screen to clear it. By default, the form is the Mortgage Loan Statement, which can be accessed on the Custom Forms tab of the Print window. After printing the statement, click the Save icon to save your changes and then exit the loan. When you re-open the loan, the alert will be cleared

Servicing Summary

Use the provided fields to enter loan and escrow disbursement values.

Account Info

- The fields in this section are populated from the Borrower Summary form.

Current Status

- The fields in this section are auto-populated.

- The Last Statement Printed date specifies when the Mortgage Loan Statement (or a custom mortgage statement) was last printed.

NOTE: The Servicing tool on the Encompass Settings screen specifies the name of the mortgage statement. By default, the form is the Mortgage Loan Statement. This form, as well as any custom mortgage statements, can be accessed on the Custom Forms tab of the Print window.

Servicing Information

- Use the provided fields to enter servicing information.

- Click the **Address Book** icon next to Sub-Servicer field to select a sub-servicer from your business contacts.

- All fields in this section are editable *except* for the Servicer field.

Purchase Advice Information

- Use the provided fields to enter purchase advice information.

- All fields in this section are read-only *except* for the Investor Loan Number field.

- For Encompass 17,3 and later, the First Payment for Investor for correspondent loans will consider payments already collected by the Selling Lender (TPO) to ensure the proper payment period for interim servicing is automatically selected.

- The Purchased Principal field is populated from the Actual Principal field on the Purchase Advice Form.

Next Payment

- The Statement Due Date is determined by the Servicing settings on the Encompass Settings screen.

- The Payment Due Date field is populated from the 1st Payment Date value on the Aggregate Escrow Account or RegZ forms.

- The Late Payment Date field is populated from the Late Charge section of the RegZ form.

- The Index Rate and Interest Rate fields apply only to adjustable rate mortgages (ARMs).

- The Escrow related fields are populated from the Aggregate Escrow Account form.
- The Buydown Subsidy Amt field shows the amount of the buydown subsidy that will be applied during the next payment.
- The remaining fields (except for Misc. Fee) are auto-populated based on the values in the first five fields in the Next Payment section.

  NOTE: The late fee is calculated based on information entered the Late Charge section of the RegZ-LE. If this calculation results in an amount below the Minimum or above the Maximum amount configure by your administrator for the subject property state in the Servicing setting, the Late Fee amount will be adjusted to match the Minimum or Maximum amount configured in the Servicing setting.

- Click the **Current payment missed, calculate next payment** button to update the Next Payment fields with new values that include the missed payment and any late fees.

Last Payment

- The fields in this section are auto-populated, based on the last payment recorded in the Account Transaction section.
- Click **View/Edit Details** to view payment details or edit the payment information if needed.
- Click the Information icon next to the Escrow field to view a list of itemized escrow values from the last payment that was made.

Payment Summary

- This section summarizes the total and year-to-date payment transactions.
- When the Purchase Advice Date, First Payment to Investor, and Actual Principal values are entered on the Purchase Advice Form, the Principal Balance is reduced by the amount entered in the Purchased Principal field.
- For Encompass 17.3 and later, the Beginning Balance field will be used as the basis for the Principal Balance calculation.
  - When servicing is started:
    - If the Loan Channel is blank, Retail, or Wholesale, the Beginning Balance is populated from the Total Loan Amount.
    - If the Loan Channel is Correspondent, the Beginning Balance is populated from the Purchased Principal on the Correspondent Purchase Advice Form.
    - The Unpaid Principle Balance on the Correspondent Loan Status tool is now populated from the Purchased Principal.
  - When servicing is active:

- When the Purchased Principal changes and the Purchase Date on the Correspondent Purchase Advice Form is populated, then the Purchased Principal re-populates the Beginning Balance and triggers the Principal Balance calculation.
  - Beginning Balance – Principal = Principal Balance

Next Escrow Disbursement

- These fields are populated from the Aggregate Escrow Account form.
- Click the **Aggregate Escrow Account** button to view the complete escrow payment schedule.

Escrow Disbursement Summary

- This section summarizes the total escrow disbursement transactions.

Account Transaction

Use this section to record and track payment and escrow transactions related to the loan.

A *Loan Purchase* transaction type automatically populates when values are entered and saved in the Purchase Advice Date, First Payment to Investor, and the Actual Principal fields on the Purchase Advice Form. If any of these values are deleted, the *Loan Purchase* transaction will be deleted. *NOTE: Users cannot delete Loan Purchase transactions.*

1 Click the **New** icon.

2 Select a transaction type and click **OK**.
  - The following transaction types are available:
    - Payment
    - Payment Reversal
    - Principal Disbursement

- Escrow Disbursement
- Escrow Disbursement Reversal
- Escrow Interest
- Other

3 Complete the required transaction information and click **Save**. The required information will vary based on the transaction type.

Comments

Use this section to add comments. The comments can only be viewed by users with persona access to the Interim Servicing Worksheet.

LO Compensation

Use the LO Compensation tool to calculate and show how the loan originator compensation is documented in the loan file. The tool consists of two main sections that show:

- Loan Officer Plan Details - The compensation your company is paying to the loan officer (used for loans in your Banked-Retail loan channel). This section is also used to show the compensation being paid to the loan officer when your company is acting as the broker (used for loans in your Brokered loan channel).

- Wholesale/Broker Plan Details - The compensation your company is paying to third party originators (brokers) or the compensation a lender is paying your company if it is acting as the broker (used for loans in your Banked-Wholesale and Brokered loan channels).

   NOTE: LO compensation is not applied to loans in the Correspondent loan channel. Access to the LO Compensation tool is based on persona. The administrator must grant users access to the tool using the Personas setting in Encompass Settings.

Viewing/Using LO Compensation Tool with a Loan Officer

1 Open a loan file, click the **Tools** tab, and then click **LO Compensation**.

   The LO Compensation tool displays. The fields in the tool may be empty at this point. If your administrator has set up default values to apply to all compensation plans, those values are populated to the appropriate fields in the tool. The following loan data is required for the LO Compensation tool to be populated with data from the LO compensation plan assigned to the loan originator:

- Channel (field ID 2626)

- Loan Originator - This is the loan officer (field ID 317) who originated the loan (Banked-Retail, Brokered loans) or broker (field ID LCP.X2) who originated the loan (Banked-Wholesale and Brokered loans).

- The Trigger Basis field - By default, this field is the Application Date (field ID 745; however the administrator may use a different date field to determine when the compensation plan will start). The date in the Trigger Field Date field must occur on or after the LO compensation plan's start date (and before the end date if one exists) in order for the plan to be applied to the loan.

2   In the Compensation Plan Details section, select the Channel for the loan. When working with compensation for a loan officer, the loan is usually originated in the Banked-Retail channel.

    If all three required fields are populated accordingly, the LO compensation plan currently assigned to the loan officer for the loan is populated into the Compensation Plan Details, Loan Officer Plan Details, and Plan Calculations sections of the LO Compensation tool.

3   When the default compensation plan data is populated, you can change the editable fields and enter new data as needed (if authorized by your administrator).

    - In the Plan Calculations section, click the blue **Lock** icon to make a Base Plan field editable, and then enter the new value.

4   Use the Bonus Comp fields to enter any additional compensation owed to the loan officer.

5   Use the Adjustment Credit fields to apply portions of the compensation towards fees owed by the borrower. Enter an explanation for the for adjustment in the Adjustment Description field.

Using the Reset Comp Button

 If a different loan officer is assigned to this loan before it closes, click the **Reset Comp** button to recalculate the compensation fields to reflect the LO compensation plan assigned to the new loan officer.

- If there is no LO compensation plan available to assign to the new loan officer, a warning message displays. If you choose to continue with the update, all the fields in the tool are cleared.

- When you click the **Reset Comp** button, the Last Applied Date, Trigger Field, and Trigger Field Date fields are updated with the latest information. These fields are updated even if there is no LO Compensation plan available to assign to the loan officer, if the compensation is being paid by the borrower, or if the loan is exempt. For logging and auditing purposes, Encompass tracks how often the compensation data in the LO Compensation tool was evaluated and applied, even if there was no actual compensation data populated to the tool's fields.

NOTE: If there are no LO Compensation plans available to assign to the loan officer, you can manually enter compensation amounts in the LO Compensation tool to apply to the loan. Your system administrator controls whether or not the Base Plan fields in the tool are editable.

Viewing/Using LO Compensation Tool with a Broker

Follow the steps listed below to view and use the LO Compensation Tool with a Lender/Third Party Originator (Broker):

1   Open a loan file, click the **Tools** tab, and then click **LO Compensation**.

    The LO Compensation tool displays. The fields in the tool may be empty at this point. If your administrator has set up default values to apply to all compensation plans, those values are populated to the appropriate fields in the tool. The following loan data is required for the LO Compensation tool to be populated with data from the LO compensation plan assigned to the loan originator:

    - Channel (field ID 2626)

    - Loan Originator -This is the broker (field ID LCP.X2) who originated the loan (Banked-Wholesale and Brokered loan channels) or loan officer (field ID 317) who originated the loan (Brokered loan channel).

      NOTE: When working with loans in the Brokered loan channel, you must also indicate the lender (field ID LCP.X2) in the LO Compensation tool.

    - The Trigger Basis field - By default, this field is the Application Date (field ID 745; however the administrator may use a different date field to determine when the compensation plan will start). The date in the Trigger Field Date field must occur on or after the LO compensation plan's start date (and before the end date if one exists) in order for the plan to be applied to the loan.

2   In the Compensation Plan Details section, select the Channel for the loan. When working with loans originated by your company and then brokered to a lender, the loans are usually originated in the Brokered loan channel. When working with compensation for a third party originator (broker), the loan is usually originated in the Banked-Wholesale channel.

    If all three required fields are populated accordingly, the LO compensation plan currently assigned to the loan originator is populated into the Compensation Plan Details, Wholesale/Broker Plan Details, and Plan Calculations sections of the LO Compensation tool.

    - When working with a loan originated in the Brokered loan channel and then brokered to a lender, these sections are populated with the compensation plan data assigned to the lender, enabling authorized users to view and manage the compensation being paid by the lender to your company. In addition, the Loan Officer Plan Details and Plan Calculations sections of the tool are populated with the compensation plan data assigned to the loan officer who originated the loan, enabling authorized users to view and

manage the compensation being paid to the loan officer. Refer to "Viewing/Using LO Compensation Tool with a Loan Officer" on page 422 for instructions for viewing and updating loan officer compensation data.

3   When the default compensation plan data is populated, you can change the editable fields and enter new data as needed (if authorized by your administrator).

   • In the Plan Calculations section, click the blue **Lock** icon to make a Base Plan field editable, and then enter the new value.

4   Use the Adjustment Credit fields to apply portions of the compensation towards fees owed by the borrower. Enter an explanation in the Adjustment Description field.

5   To change the lender or third party originator associated with the loan, click the **Lookup** icon (magnifying glass) for the Company Name field in the Wholesale/Broker Plan Details section.

   • When the channel is Brokered, all lenders set up by the administrator in the External Company Settings setting are listed when the Lookup icon is clicked. Choose the lender you are associating the loan with, and then click **Select**.Click the **Update Comp** button to update the LO Compensation tool with the compensation plan assigned to the selected lender.

   • When the channel is Banked-Wholesale, all third party originators (brokers) set up by the administrator in the External Company Settings setting are listed when the Lookup icon is clicked. Choose the third party originator you are assigning the loan to, and then click **Select**.

Using the Reset Comp Button

If a different lender or third party originator (broker) is assigned to the loan before it closes, click the **Reset Comp** button to recalculate the compensation fields to reflect the LO compensation plan assigned to the new lender or third party originator (broker).

   • If there is no LO compensation plan available to assign to the new lender or third party originator (broker), a warning message displays. If you choose to continue with the update, all the fields in the tool will be cleared.

NOTE: If there are no LO Compensation plans available to assign to the lender or third party originator, you can manually enter compensation amounts in the LO Compensation tool to apply to the loan. Your system administrator controls whether or not the Base Plan fields in the tool are editable.

Loan Comparison

Use the Loan Comparison tool with prospective borrowers to compare the qualifying ratios and requirements of up to three loan programs with a borrower's ratios and qualifying data.

NOTE: The Loan Comparison tool is designed for use as a marketing tool for prospective borrowers before beginning the application process. Changes made to fields in the Scenario 1 section change corresponding fields on loan forms such as the Borrower Summary and 1003 application.

To Create and Compare Alternative Program Scenarios:

The Scenario 1 (S1) column is the only column in which you can add and change loan program and borrower values. Enter different values in the Scenario 1 (S1) column, and then copy them to the Scenario 2 (S2) and Scenario 3 (S3)columns until you have created as many as three different scenarios.

1 Select Loan Purpose, Occupancy, and Lien Position values from the drop-down lists at the top of the form. These values are used with all scenarios.

2 In the Scenario 1 column, click the **Find** icon (magnifying glass) next to the Loan Program or CC Template field to select a loan program or closing costs template to compare with the borrower's data.

3 In the Scenario 1 section, add and change borrower and loan data as needed.

   • If you entered borrower and loan information on other forms, those values display in the Scenario 1 section.

4 Click the **Copy to S2** and **Copy to S3** buttons to copy the Scenario 1 values to the Scenario 2 and Scenario 3 sections.

5 To change the Scenario 2 and Scenario 3 programs, click **Clear** and then copy a new scenario from Scenario 1 as required.

Prequalification Results

Nine limits (minimum credit score, maximum loan amount, top ratio, bottom ratio, LTV, CLTV, minimum monthly income, maximum monthly debt, and cash to close) are compared to determine if the borrower can qualify for each loan scenario. The traffic light below each scenario indicates the results of each evaluation. Click each **Prequalification Results** button to view evaluation details.

• **Yellow:** not enough information is available to complete the evaluation

• **Red:** one of more of the limits has failed

• **Green:** the borrower is prequalified for the loan program

Lock Request Form

Use the Lock Request Form to submit a rate lock or rate lock extension request to the lock desk. You can adjust values on the Lock Request Form and submit requests without effecting the associated fields in the main loan file. Changes to the Lock Request Form are not incorporated into the loan file until the lock request is confirmed.

How the Lock Request Form Works

• When you first open the Lock Request Form, the fields in the Request Information section at the top of the form (Borrower Information, Subject Property Information, Transaction Details, and Current Loan Information) are populated from information in the main loan file.

• The lock plan code associated with the loan program is copied to the Lock Plan Code field if pricing was imported using the Get Pricing button. Or you can enter the code into the field.

• If you change values in the fields in the Request Information section, the corresponding fields in the main loan file are not changed.

   NOTE: *However, you can click the **Manage Borrowers** button to change borrower and co-borrower name, SSN, and credit score information on the Manage Borrowers window. Changes made on this window are reflected in the main loan file.*

• Click the **Reset** icon to reset the fields in the Request Information section to match the values in the main loan file.

• When you submit the lock request, the values in the main loan file remain unchanged.

• When the lock request is locked and confirmed by the lock desk, any changed fields on the Lock Request Form are updated in the main loan file.

• If EPPS is the product and pricing engine used for the loan and auto lock and confirm a lock request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

• If your administrator has configured additional Lock Request fields, the fields will display on the Additional Fields tab.

Request Information

Most of the information in this section will already be completed, using borrower, property, and transaction information entered on other forms, such as the Borrower Summary and the 1003. Review the current information, making adjustments and completing any missing data as necessary. Changes made in this section (except for borrower information) are NOT reflected in the main loan file until the request is locked and confirmed by the lock desk.

Rate Lock Request

1 Select a Request Type from the list to indicate the type of lock request.

   • If New Lock is selected, the Rate Lock Request section is cleared allowing you to enter the request details.

   • If Re-Lock is selected, the current lock information is copied to the Lock Request Form and all fields in the Rate Lock Request section is read-only, except for the Comments text box. In addition, the **Get Pricing** button is disabled.

   NOTE: *The Re-Lock option is only available when there is a confirmed lock (current or expired). If a lock's current status is Cancelled, the Re-Lock option is not available.*

   • If you toggle between New Lock and Re-Lock, the data entered when New Lock was selected displays when New Lock is selected again.

   • For first time lock requests, New Lock is the default option.

2 The Request Lock Status field indicates the status of the lock at the time it was requested.

NOTE: This field was added in the Encompass 17.3 August Service Pack.

Lock and Request Status	Lock Request Status
Unlocked	Not Locked
Lock Requested	
Locked	Active Lock
Locked, New Lock Requested	
Locked, Extension Requested	
Locked, Cancellation Requested	
Expired	Move a Loan
Expired, New Lock Requested	
Lock Cancelled	Cancelled Lock

- If the **Request Loan Status** is "Expired Lock" or "Cancelled Lock", the **Request Type** is set to "Re-Lock" and all data in the Rate Lock Request section is cleared.
-

3 In the **Base Rate** field, enter the requested base rate (as a percentage) for the loan.

4 In the **Base Price** field, enter the requested base price (number of points) for the loan using 100 as par.
- **Example 1:** If the base price is .25 above par, enter 100.25. A loan amount of $100,000 with pricing of 100.25 would result in $100,250 being received.
- **Example 2:** If the base price is .25 below par, enter 99.75. A loan amount of $100,000 with pricing of 99.75 would result in $99,750 being received.

5 When requesting a lock for an adjustable rate loan, use the **Base ARM Margin** field to enter the requested base ARM margin (as a percentage) for the loan. The ARM margin is the spread between the index and the mortgage interest rate.

6 When requesting a lock for a HELOC loan, the HELOC fields, HCLTV, Teaser Rate, Index, and ARM index type are populated from corresponding fields in the HELOC section of the RegZ-LE, but can also be manually entered, unless it is a read-only field.

NOTE: These fields were introduced in the Encompass 19.1 release.

- If the HELOC Initial Draw, HCLTV, Teaser Rate, Index, and ARM Index Type are the same, no further action will be taken. If the fields are different:
  - A confirmation window will open and display the conflicting data.
  - Override the values on the RegZ-LE with the values from the Lock Request Snapshot when **Confirm** is clicked.

7 Enter the investor's **Rate Sheet ID**.

8 In Encompass 17.3 and later, if the loan channel is "Correspondent", enter the **Commitment Type**. When this field is displayed, it is required and cannot be blank.

NOTE: This field will automatically populate the Delivery Type field ("Individual Best Efforts" for "Best Efforts" Commitment Type and "Individual Mandatory" for "Mandatory" Commitment Type).

9 If the Delivery Type field is displayed, select a delivery type for the loan request.

• In Encompass 17.3 and later, if the **Commitment Type** field is entered, this field will be automatically populated ("Individual Best Efforts for "Best Efforts **Commitment Type** and "Individual Mandatory" for "Mandatory" **Commitment Type**).

NOTE: If you submit a lock request without selecting the delivery type, an error message will be displayed.

10 Enter the requested **Lock Date** and the number of days you want to lock the loan. The **Lock Expiration Date** will be calculated.

NOTE: If a lock expires on a Saturday, Sunday, or holiday, the expiration date is automatically adjusted to the next business day as determined on the Company Calendar in the Compliance Calendar setting under Loan Setup in the Encompass settings.

11 Enter Comments to include with the request to the lock desk.

12 If needed, click **Detailed Lock** to adjust the base rate, base price, and base ARM margin before submitting the request (see the Detailed Lock Request Form section below).

13 Click **Submit Request** to submit the request.

• If your provider's product and pricing process has been integrated with Encompass, and your administrator has given you permission, the provider's interface displays in a browser screen in Encompass, and you can request a rate lock directly from the provider. A matching lock request is returned to Encompass and sent to the lock desk.

• If the lock request portion of your provider's product and pricing process has not been integrated with Encompass, your request is sent to the lock desk.

• If EPPS is the product and pricing engine used for the loan and auto lock and confirm a lock request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

• If New Lock is selected and the loan is assigned to a correspondent trade, you must remove the loan from the correspondent trade before the lock can be created.

• A Lock Request entry is added to the Loan Log.

• The lock request icon displays in the Pipeline for the loan.

• Save and exit the loan so that it can be accessed by the lock desk.

14 A window displays stating that you must save and exit the loan before the lock desk can process the request.

• Click **Exit Loan** to save and exit the loan.

• Click **Keep Loan Open** to continue working in the loan.

Detailed Lock Request Form

Use the Detailed Lock Request Form to enter adjustments to the base rate, base price, and base ARM margin of the lock request.

NOTE: Base Margin adjustments are only applicable to the margin associated with an adjustable rate loan.

1 On the Lock Request Form, click **Detailed Lock Request Form**.

2 If there is a current lock, the details display in the Current Lock column. Click **Copy from Current Lock** to copy the details to the fields for the new request.

3 For each of the six categories, select (or enter) adjustment descriptions, and then enter values for the adjustments.

• Enter a percentage for rate and margin adjustments. Enter the number of points for price adjustments.

• You can enter up to 20 adjustments in each category, except Re-Locks and CPAs, which only provide up to 10 adjustments.

NOTE: The Re-Lock and CPA fields were added in the Encompass 18.1 February Service Pack.

4 When you are finished entering adjustments, click **Close** to exit the worksheet, and then submit the lock request.

• The Net Rate Expected, Net Price Expected, and Net Margin Expected values are calculated by adding (or subtracting) the total adjustments to (or from) the Base Rate, Base Price, and Base Margin fields.

Resubmitting a Lock Request

You can re-request rate locks as needed, using the same procedure as described above for the initial request. Click the **Submit Request** button on the Lock Request Form tool to resubmit a request rather than submitting the request verbally or via email. This ensures that the lock desk will pull in the correct lock data.

• The current lock information is copied into the Request Rate Lock and Pricing column.

• The **Copy from Current Lock** and **Clear Fields** buttons are disabled.

When resubmitting a lock request, click the **Lock** icon (if available) to edit a read-only field on the Lock Request Form tool.

Request Product and Pricing Information

Use the **Get Pricing** button to request and import product and pricing information from providers such as Loan-Score, LoanSifter, Mortech, MPS, NYLX, and Sollen.

NOTE: Before you can submit a request, you must set up an account with the service provider. Contact a provider for more information.

1 Click the **Get Pricing** button.

2 On the Product and Pricing Request window, enter your Login Name and Password, and then click **Continue**.

3 Verify the loan information, provide any additional information required by the pricing provider, and then follow the provider's directions to search for products that match the loan criteria.

4 Follow the on-screen instructions to update the data on the Lock Request Form.

Request a Re-Lock

Loan originators can use the **Get Pricing** button to re-lock and reprice the loan without going through the lock desk (historical pricing).

- The Encompass Product and Pricing Service (EPPS) must have been used to lock the loan.
- The most recently confirmed loan snapshot is used.

1 Select Re-Lock as the **Request Type** and then click the **Get Pricing** button.

   - In Encompass 17.3 August Service Pack and later, a re-lock for expired or cancelled locks retrieves current pricing from EPPS.

2 On the Encompass Product and Pricing Service Login screen, enter your Login Name and Password, and then click **Continue**

   - The only two tabs available in EPPS is the **Qualify** tab and the **Summary** tab.
   - At the top of each tab, "Currently showing historical prices!" is displayed to differentiate between a historical pricing request and a current pricing (or future pricing) request.

3 On the **Qualify** tab, the selected loan program and line of pricing (based on the lock date) is indicated by a lock icon.

4 Select a rate or select a new loan program, and then click **Qualify**.

   *NOTE: If the **Current Program** check box is displayed, the loan program can be changed. If the **Current Program** check box is not displayed, the loan program cannot be changed.*

5 On the **Summary** tab, review the information if needed, and then click **Submit**.

   NOTE: The lock expiration date will not change from the original lock.

6 Encompass is updated with the selected pricing data.

7 Click **Lock and Confirm**.

   *NOTE: If the **Enable Auto-Lock for Re-Locks** Admin setting is enabled, the re-lock request will be automatically locked and confirmed.*

8 A new loan snapshot is created.

Get ONRP Pricing

Lenders can use the **Get ONRP Pricing** button to manually request Overnight Rate Protection (ONRP) on behalf of their retail branches and TPO clients for lock requests submitted from emails and faxes. For initial locks, Encompass checks for any locks (past or current) on the loan to determine whether it is eligible for ONRP. If there are no current or previous locks on the loan, an ONRP lock request can be submitted.

NOTE: Previously, Encompass would check for any type of lock snapshot to determine the loan's eligibility for ONRP.

- Users must be assigned the Secondary Marketing persona or have access to the Secondary Registration tool to have access to the **Get ONRP Pricing** button.
- ONRP is only available for loans with a Channel of Banked Retail, Banked Wholesale, or Correspondent.
- "Manual" ONRP bypasses (overrides) all usual ONRP validations and restrictions.
- EPPS must be selected as the Product and Pricing provider.

1 Ensure New Lock is the **Request Type** and then click the **Get ONRP Pricing** button.

2 In the Get ONRP Pricing pop-up window, enter an ONRP Lock Date and ONRP Lock Time (typically a date and time in the past) and then click **Continue**.

   NOTE: A future date and time is not allowed for ONRP.

3 On the Encompass Product and Pricing Service Login screen, enter your Login Name and Password, and then click **Continue**.

   - The only two tabs available in EPPS is the **Qualify** tab and the **Summary** tab.

4 On the **Qualify** tab, the select a rate or select a new loan program, and then click **Qualify**.

5 On the **Summary** tab, review the information if needed, and then click **Update Encompass**.

6 Encompass is updated with the selected pricing data.

7 Make any changes and then click **Submit Request**.

8 A lock request snapshot is created.

NOTE: Both the snapshot and the Buy Side Lock Request column will include the ONRP Lock Date, ONRP Lock Time, and the ONRP Eligible check box will be selected.

Request a Rate Lock Extension

If a rate lock is about to expire, the loan officer can request an extension from the lock desk.

1 Click the **Extend Lock** button.

2 On the Extension Request window, enter the Days to Extend, Price Adjustment, and Comments as needed, and then click the **Request Extension** button.

- If an extension is requested after the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

- If you change the Days to Extend, and the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

- The **Get Buy Side Pricing** and **Get Sell Side Pricing** buttons are available on the Secondary Lock Tool.

  *NOTE: The **Get Buy Side Pricing** button will only be available if the Encompass Product and Pricing Service (EPPS) is enabled and will perform a historical pricing request.*

- The price adjustment is added as an entry in the Adj. Buy Price section on the Secondary Lock Tool.

- If EPPS is the product and pricing engine used for the loan and auto lock and confirm an extension request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

- A lock request entry is added to the loan log.

  - **Trade Extension Request Type:**

    When a loan is extended from a trade, and that trade is processed, a "Trade Extension" Request Type is created in the snapshot. The data in the snapshot is populated as follows:

    NOTE: This request type was introduced in Encompass 18.2.

    - **Original Expiration Date** - Buy Side Lock Request field ID 2091 and Buy Side Lock and Pricing field ID 3358 is the previous lock expiration date.

    - **Current Expiration Date** - Buy Side Lock Request field ID 3369 and Buy Side Lock and Pricing field ID 2151 is the current lock expiration date.

    - **Days to Extend** – Buy Side Lock Request field ID 3360 and Buy Side Lock and Pricing field ID 3363.

- **New Lock Expiration Date** - Buy Side Lock Request field ID 3361 and Buy Side Lock and Pricing field ID 3364 is the calculated expiration date based on the Days to Extend.

  - The calculation takes into account any relevant settings set on the Lock Desk Setup setting (e.g., Expiration Settings, Calendar, etc.).

- **Price Adjustment** - Buy Side Lock Request field ID 3362 and Buy Side Lock and Pricing field ID 3365.

- **Lock Extensions** – An extension description and Days to Extend value in the appropriate extension field and the Price Adjustment value.

- **Re-Lock Fees** – A re-lock description in the appropriate re-lock field and the Re-Lock Fees – A re-lock description in the appropriate re-lock field and the Re-Lock Fee (price) value.

- **Price Adjustments** – The Custom Price Description in the appropriate CPA field and the Custom Price Adjustment value.

While in the snapshot, the following actions can be taken without having additional extensions, re-lock fees, or custom price adjustments recorded.

- Revise Lock

- Validate Lock (if the initial pricing was done in EPPS and the correspondent trade has an individual Delivery Type.)

If changes are made to the correspondent trade that impacts the loan (e.g., Commitment #, Commitment Date, Master Commitment #, Delivery Type, etc.), a new snapshot is created and the previous extension fee, re-lock fee, and/or custom price adjustment is cleared.

NOTE: Non-product related price adjustments will not be cleared for individual correspondent trades.

- The request is sent to the lock desk.

- The lock request icon shows on the Pipeline.

NOTE: When a lock is extended and then re-locked, a different icon displays on the Pipeline to distinguish between a pending new lock request on extended loans and a pending lock extension request.

NOTE: If a lock extension expires on a Saturday, Sunday, or holiday, the expiration date is automatically adjusted to the next business day as determined on the Company Calendar in the Compliance Calendar setting under Loan Setup in the Encompass settings.

3 A window displays stating that you must save and exit the loan before the lock desk can process the request.

- Click **Exit Loan** to save and exit the loan.

- Click **Keep Loan Open** to continue working in the loan.

Cancel a Lock

The loan originator can request the cancellation of an existing lock.

1 Click the **Cancel Lock** button.

   • If the loan is assigned to a correspondent trade, the loan must be removed from the correspondent loan before the lock can be canceled.

   • If EPPS was the product and pricing engine used to lock the loan and auto cancel a lock is enabled in your Encompass Settings, the lock is automatically canceled.

2 Enter a comment as needed, and then click **Request Cancellation**.

3 Click **OK** when the confirmation message displays.

   • A lock cancellation request entry is added to the loan log.

   • The request is sent to the lock desk.

   • The lock canceled icon shows on the Pipeline.

4 A window displays stating that you must save and exit the loan before the lock desk can process the request.

   • Click **Exit Loan** to save and exit the loan.

   • Click **Keep Loan Open** to continue working in the loan.

Lock Request Additional Fields

Use the Lock Request Additional Fields tool in Encompass Settings to add fields to the Lock Request form and the Loan Snapshot in the Secondary Registration tool.

• On the Lock Request form, the fields display on the Additional Fields tab.

• On the Loan Snapshot tab, the fields display at the bottom of the tab in the Loan Additional Information section.

To Add a Field:

1 On the menu bar, click **Encompass**, and then click **Settings**.

2 On the left panel, click **Secondary Setup**, and then click **Lock Request Additional Fields**.

3 Click the **Lock Request Form** or **Loan Snapshot** tab.

4 Click the **New** icon.

5 In the Add Required Fields window, enter the field IDs for the fields you want to add to the form, and then click **Add**.

• The fields display on the forms in the same order that you enter them on the Add Required Fields window.

*NOTE: To add more than 10 field IDs, enter the initial 10 field IDs, and then click **Add More**.*

6 When finished, click the red X to close the window, and then click the **Save** icon.

To Add a Field Using the Find Feature

1 Click the **Find** icon.

2 In the Find a Form section on the left, select a form.

3 Right-click a field to select it. The field turns orange.

   • Click **Select All** to select all the fields on the form.

   • Click **Deselect All** to clear all field selections.

4 When finished, click **OK**.

To Delete a Field

1 On the Additional Fields list, select one or more fields.

2 Click the **Delete** icon.

To Move a Field

• To change the position of a field on the form, select the field, and then use the **Up** and **Down** arrows to reposition it.

Net Tangible Benefit

Use the Net Tangible Benefit tool to disclose the benefit to the borrower when one or more existing loans are being refinanced with a new loan. Enter information about the existing loan(s) and the refinance loan, the difference between the monthly payments for the loans, the time it will take the borrower to recoup the cost of the refinancing, and the benefits the borrower will receive as a result of refinancing the loan. The information is populated to the Net Tangible Benefit output form, which is disclosed to the borrower.

To Complete the Tool:

1 In the top section of the form, enter loan information and loan rates for the existing and new loans, indicate whether a prepayment penalty is being paid off with the proceeds of the new loan, and enter the prepayment penalty amount if applicable.

2 Enter the Loan to Value and Debt/Income ratios, select a Loan Purpose, and then enter the payment and obligation amounts for the new loan.

- The information for the new loan will populate from the loan file.
- Payment differences between the new and existing loan are calculated based on the information entered.

3 Indicate whether the borrower will receive any cash out from the refinance loan, and if so, enter the amount.

4 In the second section, enter the Fees and Closing Costs Paid, the Savings Amount (based on the difference between the monthly principal and interest payment for the new and existing loans, and any debt being paid off by the loan), and the number of years it will take the borrower will recoup the refinance costs for the new loan.

5 If applicable, select an **Existing Loan was** option to indicate the relationship between the broker or creditor for the new and existing loans.

6 Indicate whether the loan will pay off or consolidate debt, and if so, enter the total amount of debt being paid off.

7 Select check boxes for any benefits that apply to the borrower.

8 For loans with subject properties in Massachusetts or South Carolina, select the applicable check boxes in the *The following options apply only if the property state is...* sections.

9 Enter a description in the Bona Fide Financial Emergency/Circumstances text box, if applicable.

10 Enter a description in the Borrower Received Reasonable, Tangible Net Benefit text box.

11 Select **Yes** from the drop-down list to print borrower initial lines for each benefit listed on the output form.

Piggyback Loans

A piggyback loan is a loan that closes at the same time as a primary (or 1st) loan. Piggyback loans are also referred to as concurrent or 80/10/10 loans.

Using the Piggyback Loans tool, you can:

- Create the 2nd (piggyback) loan using information and verifications already recorded for the first loan.
- View key loan information for both loans in a side-by-side format.
- Synchronize information between the two loans.

NOTE: You can also use the Duplicate Loan feature to create a piggyback loan from the Pipeline. If you do so, you can still work with and manage both the 1st and 2nd loans using the Piggyback Loans tool.

To Create a Piggyback Loan:

1 Complete as much information as possible on the Borrower Summary, 1003, Loan Estimate, verifications, and other loan forms.

2 Order credit, appraisal, and other services.

3 With the 1st loan open, click the **Tools** tab, and then click **Piggyback Loans**.

4 At the upper-left of the form, click **New 2nd**.

5 When the message window opens, click **Yes** or **No** to select a synchronization option.

   NOTE: If you select the option to synchronize loans, the loan values copied to the new loan are those fields that have been specified in the Piggyback Loan Synchronization tool on the Encompass Settings screen.

   - The piggyback loan is created and linked to the 1st loan.
   - The new loan information displays in the 2nd Loan Position column.
   - The loan is added to your Pipeline.

Link to an Existing Loan

Instead of creating a new loan, you can use the Link to Loan option to create an association to an existing 2nd loan.

1   With the 1st loan open, click the **Tools** tab, and then click **Piggyback Loans**.

2   At the upper-left of the form, click **Link to Loan**.

3   Select the loan that will become the 2nd loan, and then click **Link**.

4   When the message window opens, click **Yes** or **No** to select a synchronization option.

    •   The linked loan information displays in the 2nd Loan Position column.

Work with a Piggyback Loan

To Synchronize Data:

There are two ways to synchronize data between the first and second loans, one field at a time, or all fields at once. In either case, only those fields specified in the Piggyback Loan Synchronization tool are synchronized.

•   **Field Update** - When you enter or change data in a field in either loan, the data is automatically updated in the other loan.

•   **Batch Update** - When you click **Sync Data**, all fields that are not synchronized are updated. The value in the 2nd loan field is adjusted to match the value in the 1st loan.

To Switch Between the 1st and 2nd Loan:

When you're working in the Piggyback Loans tool, the loan in the left column is considered the Current Input loan. All information on input forms, tools, the Pipeline, Log, and so forth, is for the Current Input loan. If you enter data on any other form or tool, it will be reflected in the Current Input Loan. The icon preceding the loan # (in the Loan Summary area above the form) indicates whether the current loan is the 1st or 2nd loan.

•   To Switch the Current Loan Position, click **Go to 2nd** (or **Go to 1st**) button at the top of the right column.

To Remove the Link:

•   To break the link between the 1st and 2nd loan, click **Remove Link**.

To Synchronize Loans Using the Piggyback Loans Tool:

1   Open the loan containing the data you want to synchronize.

2   Click the **Tools** tab on the lower-left panel, and then click **Piggyback Loans**.

3   Click the **Sync Data** button.

Originating a HELOC as a Piggyback for a Down Payment

Use this workflow when originating a HELOC loan as a piggyback loan to cover the down payment for a first lien loan that is being created at the same time. In this example, the borrower is obtaining a piggyback HELOC for the down payment. This HELOC will be fully drawn at closing:

•   Purchase Price: $100,000

•   Loan Amount: $80,000

•   Down Payment Amount: $20,000

To Originate a HELOC as a Piggyback for a Down Payment:

1   Create a loan for the first lien loan with the loan and down payment amounts entered.

2   Click the **Sub. Financing** button on input forms such as the Borrower Summary –Origination, RegZ-LE, or RegZ-TIL to open the **Subordinate Mortgage Loan Amounts** pop-up window and then click the **Add New HELOC** button. This can also be accessed via the Piggyback Loans tool.

3   Select **Yes** when the pop-up messages asks if you want to synchronize data between two loans.

    •   This is required to set up the loan data in the second loan file based on what you have entered in your primary loan file.

4   The Piggyback Loans tool opens with the second lien HELOC loan in the **2nd Loan Position** column on the right.

5   Close the **Subordinate Mortgage Loan Amounts** pop-up window.

6   Select a Loan Program to set up the HELOC loan file with your credit policy.

7   The following values are populated by default in the **2nd Loan Position** column for the new HELOC loan based on your primary loan scenario. These can be modified as needed per your loan scenario and credit policy:

    •   **Purchase Price**: $100,000 (from the original loan file)

    •   **Down Payment**: $80,000 (the loan amount from original loan file)

    •   **Loan Amount**: $20,000 (the purchase price minus the loan amount)

    Adjust the loan amount based on the proposed loan scenario. Example: If the loan is targeted for 95% CLTV, adjust the loan amount to $15,000.

8   In the **2nd Loan Position** column, enter the amounts for the **HELOC Initial Draw** (field ID 1888) and **Amount Applied to Down Payment** (field ID 4493). These amounts are copied to the Subordinate financing (field ID 140) line on

the Details of Transaction in the primary loan file and be leveraged in cash to close calculations. In this example, the HELOC will be fully drawn at closing, so enter $20,000.

9 Enter the expected Note Rate (field ID 3).

10 Document the proceeds in the first lien loan file in one of the following locations:

- For standard disclosures, click the **Edit** icon for Adjustments and Other Credits in the Calculating Cash to Close section on the Closing Disclosure Page 3, and then enter the down payment amount in Section L, line 04, selecting **Borrower** from the **Paid By** list and **Proceeds of Subordinate Lien** from the **Adjustment Type** list.

- For alternate disclosures, click the Payoffs & Payments button in the Calculating Cash to Close section on the Loan Estimate Page 2. Click the Add icon, select Other as the Adjustment Type and then complete the description and amount fields.

NOTE: For HELOC loans, the Loan Estimate and Closing Disclosure input forms are used for data input only. HELOC loans are not subject to the Consumer Financial Protection Bureau's (CFPB) Know Before You Owe mortgage initiative. Attempting to generate a Loan Estimate or Closing Disclosure output form for a HELOC loan will result in incorrect forms.

Prequalification

Use the Prequalification tool with prospective borrowers to compare the qualifying ratios and requirements of different loan programs with borrower ratios. You can also calculate maximum loan values, minimum income requirements, and maximum allowable debt.

NOTE: The Prequalification tool is designed for use as a marketing tool for prospective borrowers before beginning the application process. Changes made to fields in this tool change corresponding fields on loan forms such as the Borrower Summary and 1003 application.

To Add Required Information:

Add or modify the information required for the prequalification evaluation.

1 Click the **Find** icon to the right of the Loan Program field to select the program for which you want to prequalify the borrower.

- The loan characteristics and the required values in the Limits section are typically filled from the selected loan program.

2 Click the **Edit** icons in the Mortgage Information, Funds Review, Gross Monthly Income, and Monthly Housing Expenses sections to add loan and borrower information.

3 To replace the current loan values with the calculated maximums, click the **Copy from Maximum Property Value** button in the Mortgage Information section.

4 In the Limits section, click the **Max Loan Amount** button to calculate the maximum loan amount for which the borrower can qualify using the current loan program, ratios, and borrower data.

Prequalification Results

Nine limits (minimum credit score, maximum loan amount, top ratio, bottom ratio, LTV, CLTV, minimum monthly income, maximum monthly debt, and cash to close) are compared to determine if the borrower can qualify for the loan program. The traffic light at the bottom of the screen indicates the results of the evaluation. Click the **Prequalification Results** button to view evaluation details.

- **Yellow:** not enough information is available to complete the evaluation
- **Red:** one of more of the limits has failed
- **Green:** the borrower is prequalified for the loan program

Profit Management

Use the Profit Management tool to calculate the gross profit, commissions, and the net profit of a completed loan.

To Calculate Gross and Net Profit:

1 In the Gross Check Amount field, enter the amount received from the lender upon loan closing.

2 Enter a description and value for expenses related to the loan. For example, the appraisal fee.

The Commissionable Gross Profit is calculated by subtracting the Expenses from the Gross Check Amount.

3 To calculate each commissions and the Net Profit:

- Enter a calculation percentage.
- Click a basis for the calculation. **Loan** uses the loan amount and **Profit** uses the Commissionable Gross Profit value.
- Enter a flat-rate dollar amount.

The Net Profit is calculated by subtracting the commissions from the Commissionable Profit.

Purchase Advice Form

Use the Purchase Advice Form to reconcile payments expected from the investor against payments received by the lender. Use the form to enter the amounts that you expect the investor to pay for the loan, update balances after loan payments have been received from the borrower prior to selling the loan, enter the actual amounts received from the investor when the loan is purchased, and then reconcile any differences between the expected and actual payments received from the investor.

To Enter Expected Amounts:

1 Open a loan file, click the **Tools** tab, and then click **Purchase Advice Form**.

2 The Investor field and the Investor Loan Number will be populated from the Secondary Lock Tool.

3 In the First / Next Payment To field, select or enter the name of the entity who will receive the first or next loan payment.

4 In the Next Payment Date field, enter or select the date that the payment is due to the entity selected in the First/Next Payment To Field.

- When a loan is locked, the entries for Sell Price, Sell Amount, SRP, and SRP Amount in the Expected column are populated based on the data entered in the Secondary Lock tool. Changing the Principal amount does not cause these fields to recalculate.

5 The Actual Principal amount populates into the Interim Servicing Worksheet.

NOTE: This amount does not have to be "zeroed out" on the Interim Servicing Worksheet.

6 In the Reconciliation Details section, click the **Edit** icon on the Interest row, and select the method for calculating interest based on the investor's method.

*NOTE: The interest will not be calculated until you click the **Update Balances** button (refer to Step 3 in the* Enter Actual Amounts Reconcile Differences, and Complete the form *procedure on page 436).*

7 Use the 12 blank fields to enter payout details. Enter a description for each payout. Then enter the expected value for the amounts paid by the investor.

Escrow Deduction	▾			
Administration Fee	▾	250.00		-250.00
Tax Service Fee	▾	75.00		-75.00
Review Fee	▾	150.00		-150.00
	▾			
	▾			
	▾			
	▾			
	▾			
	▾			
	▾			
	▾			

- You can select a predefined description from the drop-down list. These descriptions are created using the Purchase Advice Form setting.

- To populate multiple payouts with a description and expected payout value, click **Select Template**, select a template, and then click **Select**.

NOTE: On the Select Template window, select the check box to apply only fields from the template that contain a value. For example, if you manually enter values in all 12 payout lines, and then apply a template that has only 3 payout lines with values, the first 3 lines will be overwritten from the template and the last 9 lines will retain the information you manually entered. If you do not select the check box, the last 9 lines will be replaced by the blank values from the template.

To Enter Actual Amounts, Reconcile Differences, and Complete the Form:

After an investor purchases the loan, enter the amounts paid by the investor in the Actual column (in the summary and Reconciliation Details sections).

1 In the summary section at the top of the form, enter or select the Purchase Advice Date provided by the investor.

2 If you need to edit the Investor field or the Investor Loan Number, enter new content. You can also click the **Address Book** icon to select an investor from your business contacts.

3 In the First Payment to Investor enter the date when the first payment is due to the investor.

4 Click the **Update Balances** button to update the Expected Principal, Expected Interest, and Expected Impounds.

*NOTE: These amounts will be updated even if interim servicing has not been started. If you click **Update Balances** after you start servicing a loan payment from the borrower, calculations on the Purchase Advice form will be updated using information from the Interim Servicing Worksheet and from the summary section at the top of this form. Any current escrow balance will also be updated on the Impounds line.*

5 In the Actual Principal field, enter the principal balance due to the investor when the loan was purchased.

6 Enter the actual Sell Amount and SRP Amount in dollars, or select the **Enter Pts** check box and then enter the actual Sell Price and SRP in points.

		Orig. Loan Amt.	Actual Principal	
		150,000.00	147,000.00	
		Expected	Actual	Difference
Sell Price	🔒	102.0000 pts.	102.000000	pts.
Sell Amount	🔒	3,000.00	2,940.00	-60.00
SRP	🔒	1.0000 pts.	1.0000	pts.
SRP Amount	🔒	1,500.00	1,470.00	-30.00
			☐ Enter Pts	

- When the check box is cleared, the Sell Price (field 3422) and the SRP (field 3426) cannot be edited. These fields are calculated when the user enters the Sell Amount (field 3424) and SRP Amount (field 3428) in the Actual column.

- When the check box is selected, the Sell Amount (field 3424) and SRP Amount (field 3428) fields in the Actual column cannot be edited. These fields are calculated when the user enters the Sell Price (field 3422) and the SRP (field 3426) in the Actual column.

7 In the Actual column in the Reconciliation section enter the values from the Purchase Advice from the investor.

- Below the Total Amount line in the Reconciliation Details section, the Amount Due to, Amount Paid to, and Reconciled Difference fields should be blank. If not, the Amount Due to field indicates the amount due and whether it is due to the investor or lender.

NOTE: If the Amount Paid To and the Amount Due values are not equal, an alert is generated and the difference displays in the Reconciled Difference field. When the two values are balanced, the alert and the Reconciled Difference field are cleared.

8 If an amount is due, a payment must be made to the investor or lender. After the payment is received, enter the amount in the Amount Paid to field.

9 Enter notes in the Reconciliation Comments field.

10 The fields in the Difference column are calculated based on the entries in the Expected and Actual columns.

- If you have serviced loan payments from the borrower prior to selling the loan, the Difference columns in the summary section will display the difference between the original payments expected from the investor (prior to servicing loan payments from the borrower) and the actual payments from the investor (after adjusting for servicing the loan payments from the borrower).

11 In the Confirmed By field, enter the name of the person who completed the Purchase Advice form.

12 In the Date field, enter or select the date when the form was completed.In the summary section, enter the Principal amount in the Actual column.

Rent vs. Own

Use the Rent vs. Own tool with prospective borrowers to determine if owning a home is beneficial when compared with renting.

NOTE: The Rent vs. Own tool is designed for use as a marketing tool for prospective borrowers, before beginning the application process. Changes made to many of the fields in the Scenario section change corresponding fields on loan forms such as the Borrower Summary and 1003 Loan Application.

Scenario

The Scenario section contains the rental and purchase information used to perform the rent versus own analyses.

Rental Information

In the first three fields in the Scenario section, enter values related to the current and expected rent: Monthly Rent, Expected Annual Rent Increase, and Monthly Renter's Insurance.

Purchase Information

In the next eight fields, enter values related to purchasing the subject property. Many of these fields may already be filled if you have entered information on the Borrower Summary form.

Miscellaneous Information

- For the Annual Home Maintenance value, enter either an estimated percent of the purchase price or a dollar value.

- In the How Many Year for this Comparison? field, enter the number of years to compare the rent versus own costs and benefits.

- In the Annual Appreciation on the Home field, enter an estimate of the annual percent increase in the value of the subject property.

- In the Interest Currently Being Earned on Down Payment field, enter the current interest rate on money to be used for the down payment on the subject property.

Results

The Results section contains the rent or own recommendation and the results of the short- and long-term analyses.

- The Favorable Option field contains the recommendation, either Buying or Renting, based on analysis of the data in the Scenario section.

- The next two fields summarize the average monthly savings and total gain (based on the recommended option) over the number of years used for the analysis.

Payment Considerations

This section provides detailed comparisons of the monthly costs of renting versus owning. The difference between the **Average After Tax Monthly Payment** fields is the value placed in the **Average Monthly Payment Savings** field.

Investment Considerations

This section provides an analysis of the payment and investment gain at the end of the number of years used for the analysis. The investment gain of owning a home (appreciation minus the loan balance, down payment, closing costs, and unearned interest) is added to the total payment savings (or cost).

Secondary Registration

The Secondary Registration tool is used to receive rate lock requests, enter investor details and pricing information, and lock the loan rate. For an overview of the lock request and secondary marketing workflow, go to Lock Request Workflow on page 199.

The Secondary Registration tool supports many additional options for registering and locking a loan, such as registering without locking a loan, initiating a new lock, and denying a lock request. Refer to the *Additional Rate Lock Options* help topic in Encompass for details.

Lock / Request Snapshot

The Lock / Request Snapshot section lists the lock requests associated with the loan.

- **Status** - Status of the request: Requested (the most recent request), Old Request, Locked, and Old Lock.

- **Request Type** - Type of lock request: Lock or Extension.

- **Days** - Number of days the lock is in effect.

- **Lock Expiration Date** - Date the lock expires.

- **Request On** - Date the request was submitted.

- **Requested By** - Originator of the lock request.

- **Fulfilled On**- Date the request was locked, confirmed or denied.

- **Fulfilled By**- User who confirmed the locked.

- **Investor** - Name of the investor providing the rate lock.

- **Investor Delivery** - Date the loan is expected to be delivered to the investor.

To Start a New Lock:

1 Click the **New Lock** button to open the Secondary Lock tool to start a new lock.

   • If there is a currently active lock in place for the loan, the Secondary Lock Tool opens with the current lock information populated in the Buyside Lock Request column.

   • If there is no currently active lock in place for the loan, the Secondary Lock Tool opens with no data populated in the Buyside Lock Request column.

   • If the loan is assigned to a correspondent trade, the loan must be removed from the correspondent trade before the lock can be created.

   • If EPPS is the product and pricing engine used for the loan and auto lock and confirm a lock request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

2 Complete Steps 2-12 from "Working with a Lock Request" on page 441.

To Extend an Existing Lock

1 Click the **Extend Lock** button to open the Secondary Registration tool.

2 On the Extension Request window, enter the Days to Extend, Price Adjustment, and Comments as needed, and then click the **Request Extension** button.

   • If an extension is requested after the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

   • If you change the Days to Extend, and the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

   • The **Get Buy Side Pricing** and **Get Sell Side Pricing** buttons are available on the Secondary Lock Tool.

   *NOTE: The **Get Buy Side Pricing** button will only be available if the Encompass Product and Pricing Service (EPPS) is enabled and will perform a historical pricing request.*

   • The price adjustment is added as an entry in the Adj. Buy Price section on the Secondary Lock Tool.

   • If EPPS is the product and pricing engine used for the loan and auto lock and confirm an extension request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

   • A lock request entry is added to the loan log.

• **Trade Extension Request Type:**

   When a loan is extended from a trade, and that trade is processed, a "Trade Extension" Request Type is created in the snapshot. The data in the snapshot is populated as follows:

   NOTE: This request type was introduced in Encompass 18.2.

   • **Original Expiration Date** - Buy Side Lock Request field ID 2091 and Buy Side Lock and Pricing field ID 3358 is the previous lock expiration date.

   • **Current Expiration Date** - Buy Side Lock Request field ID 3369 and Buy Side Lock and Pricing field ID 2151 is the current lock expiration date.

   • **Days to Extend** – Buy Side Lock Request field ID 3360 and Buy Side Lock and Pricing field ID 3363.

   • **New Lock Expiration Date** - Buy Side Lock Request field ID 3361 and Buy Side Lock and Pricing field ID 3364 is the calculated expiration date based on the Days to Extend.

      • The calculation takes into account any relevant settings set on the Lock Desk Setup setting (e.g., Expiration Settings, Calendar, etc.).

   • **Price Adjustment** - Buy Side Lock Request field ID 3362 and Buy Side Lock and Pricing field ID 3365.

   • **Lock Extensions** – An extension description and Days to Extend value in the appropriate extension field and the Price Adjustment value.

   • **Re-Lock Fees** – A re-lock description in the appropriate re-lock field and the Re-Lock Fees – A re-lock description in the appropriate re-lock field and the Re-Lock Fee (price) value.

   • **Price Adjustments** – The Custom Price Description in the appropriate CPA field and the Custom Price Adjustment value.

   While in the snapshot, the following actions can be taken without having additional extensions, re-lock fees, or custom price adjustments recorded.

   • Revise Lock

   • Validate Lock (if the initial pricing was done in EPPS and the correspondent trade has an individual Delivery Type.)

   If changes are made to the correspondent trade that impacts the loan (e.g., Commitment #, Commitment Date, Master Commitment #, Delivery Type, etc.), a new snapshot is created and the previous extension fee, re-lock fee, and/or custom price adjustment is cleared.

   NOTE: Non-product related price adjustments will not be cleared for individual correspondent trades.

• The request is sent to the lock desk.

- The lock request icon shows on the Pipeline.

  NOTE: When a lock is extended and then re-locked, a different icon displays on the Pipeline to distinguish between a pending new lock request on extended loans and a pending lock extension request.

  NOTE: If a lock extension expires on a Saturday, Sunday, or holiday, the expiration date is automatically adjusted to the next business day as determined on the Company Calendar in the Compliance Calendar setting under Loan Setup in the Encompass settings.

To Validate a Lock:

Secondary and lock desk users can validate a lock against eligibility and pricing as of the effective (lock) date and time.

- The Encompass Product and Pricing Service (EPPS) must have been used to lock the loan.
- The loan must be locked and confirmed.
- The most recently confirmed loan snapshot is used.
- LO compensation must be managed in Encompass (and not in EPPS).

1 Click the **Validate** button.

2 On the Encompass Product and Pricing Service Login screen, enter your Login Name and Password, and then click **Continue**

- The only two tabs available in EPPS is the **Qualify** tab and the **Summary** tab.
- At the top of each tab, "Currently showing historical prices!" is displayed to differentiate between a historical pricing request and a current pricing (or future pricing) request.

3 On the **Qualify** tab, the selected loan program and line of pricing (based on the lock date) is indicated by a lock icon.

- If the loan program is still eligible, it appears in the eligible section.
- If the loan program is no longer eligible, it appears in the ineligible section.

4 If the loan program is still eligible, select a rate or select a new loan program and then click on the rate.

5 On the **Summary** tab, review the information, if needed, and then click **Submit**.

  NOTE: The original lock date and expiration date remain unchanged.

6 Encompass is updated with the selected pricing data.

7 On the Secondary Lock Tool, all columns, except the Buy Side Lock Request column, can be edited.

8 Make any changes, and then click **Lock and Confirm**.

  NOTE: At the top of each tab, "Currently showing historical prices!" is displayed to differentiate between a historical pricing request and a current pricing (or future pricing) request.

9 A new loan snapshot is created.

- The data in the SRP Paid Out field, Investor Commitment # field, and Comments text box are retained from the previous lock snapshot.

  NOTE: If new comments are populated from EPPS, they are appended to the existing comments in the Buy Side Lock and Pricing column.

To Request a Re-Lock:

- When a re-lock is requested, the Secondary Registration/Snapshot List and Secondary Lock Tool displays the same values from the last current lock. For example, if the last current lock was extended, the Secondary Registration/Snapshot List display the fields for the extended lock.
- The Request Type field displays Re-Lock when the request is fulfilled.
- The **Get Buy Side Pricing** and **Get Sell Side Pricing** buttons are enabled.

  *NOTE: The **Get Buy Side Pricing** button is only enabled if EPPS is the selected product and pricing service and the original loan was priced using EPPS.The **Get Sell Side Pricing** button is always enabled for a re-lock request*

  - If **Get Buy Side Pricing** is selected, the pricing request is run based on the effective (lock) date and time.
  - If **Get Sell Side Pricing** is selected, the pricing request is run based on the current date and time.

To Cancel an Existing Lock:

1 Click the **Cancel Lock** button on the Secondary Registration tool.

- If the loan is assigned to a correspondent trade, the loan must be removed from the correspondent trade before the lock can be canceled.
- If EPPS was the product and pricing engine used to lock the loan and auto cancel a lock is enabled in your Encompass Settings, the lock is automatically canceled.

2 Enter a comment as needed, and then click the **Cancel Lock** button.

- A lock cancellation entry is added to the loan log.
- The lock canceled icon shows on the Pipeline.

Current Lock and Current Loan Info Tabs

Current Lock Tab

Displays details related to the rate lock with the status of Locked. Click the View Current Lock button to view complete details.

- If applicable, select the Hedging check box to indicate that the loan is included in a hedge (i.e., you are hedging the loan, or group of loans, to offset the risk of loss from the price fluctuations in the market).
  - This check box is to indicate that the loan is included in a hedge only. Selecting or not selecting this check box does not affect how the loan is locked or priced.
- If the lock was also confirmed, the Lock Fulfilled field is populated with the date that the loan was locked and confirmed.
- If the Investor Status is Assigned - Bulk, the loan is assigned to a trade. Click **View Trade Summary** to view trade information.

Current Loan Info Tab

Displays snapshot of the loan that includes the borrowers' credit scores, subject property information, and basic loan attributes.

Registration Tab

The Registration tab is used to document that a loan has been registered with an investor and to display current registration information. Registering a loan does not change the status of a lock request. For example, you can register a loan without locking or confirming the request.

NOTE: You can also document that a loan was registered with an investor on the Borrower Summary form, without submitting a lock request.

1 On the Lock Request / Snapshot list, click the **Registration** tab.

2 Click **Add Registration**.

3 Set the Registered On and Registration Expires dates as required.

4 Enter an Investor Name, or click the **Address Book** icon to select an investor from your business contacts.

5 Enter a Reference Number, such as the commitment number.

6 Click **OK**.

- An entry is added to the log and the registration information is applied to the Registration section on the Borrower Summary form.
- An alert will display when the registration expires or expiration is pending (depending on your system settings).

Request Product and Pricing Information

When you open an unlocked lock request (or create a new lock), you can use the Get Buy Side Pricing or Get Sell Side Pricing buttons to request and import product and pricing information from providers such as Loan-Score, Loan Sifter, Mortech, MPS, NYLX, Bankcorp, and Sollen.

NOTE: Before you can submit a request, you must set up an account with the service provider. Contact a provider for more information.
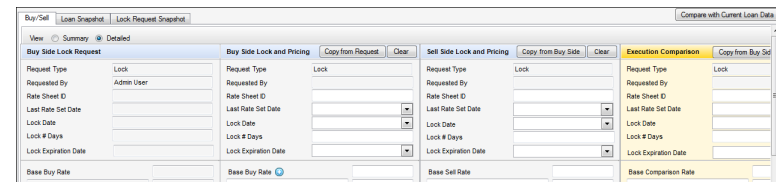
1 On the Lock Request/Snapshot list, select an unlocked lock request, or click **New Lock** to create a new lock.

2 On the Secondary Lock tool, select how you want to view the information.

- **Summary** - A subset of the available fields on the Secondary Lock tool. You can use this view to compare what the pricing is on the day a loan is locked and compare that to the price received when a loan is allocated to a trade at a later date and focus on the Gain/Loss numbers.
- **Detailed** - All the available fields on the Secondary Lock tool.

3 Click the **Get Buy Side Pricing** or **Get Sell Side Pricing** button.

NOTE: The pricing buttons are not available on the Secondary Lock tool for a lock extension request.

4 On the Product and Pricing Request window, enter your Login Name and Password, and then click **Continue**.

5 Verify the loan information, provide any additional information required by the pricing provider, and then follow the provider's directions to search for products that match the loan criteria.

6 Select a rate, and then click the button to update the data in the loan file.

Working with a Lock Request

When you open a loan with a lock request from the Pipeline, the Secondary Registration tool opens.

1 On the Lock Request / Snapshot list, select the entry with the status of **Requested**.

- On the Secondary Lock tool, the left column shows details of the lock request.

2 Above the Buy Side Lock and Pricing column, click **Copy from Request**.

- The values from the Buy Side Lock Request column are copied to the Buy Side Lock and Pricing column.

- The Buy Side Lock and Pricing column will reflect the Buy price after due diligence by the lock desk.

3 In the Buy Side Lock and Pricing column, change values in the request details as required. This is typically done to correct any errors or oversights in the request.

4 If you are working with a lock extension:

- You can adjust the Days to Extend, New Lock Expiration Date, and Price Adjustment fields in the Buy Side Lock and Pricing and Sell Side Lock and Pricing columns without having to create a new lock extension request. Changing one of these fields will cause the other fields to recalculate.

- If an extension is requested after the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

- If you change the Days to Extend, and the maximum number of extension days has been reached, an error message is displayed and the extension cannot be completed.

- If EPPS is the product and pricing engine used for the loan and auto lock and confirm an extension request is enabled in your Encompass Settings, the lock is automatically locked and confirmed.

- The Execution Comparison column displays the same fields as the top section of the Sell Side Lock and Pricing column.

- Changing one of these fields will cause the other fields to recalculate.

- If you adjust the Days to Extend or New Lock Expiration Date and the number of days in the extension does not match a preconfigured adjustment (set in the Product and Pricing setting) the Price Adjustment field will clear to allow manual entry.

- Each requested extension is recorded in the Lock Extensions section.

NOTE: Lock extensions requested prior to the Encompass version 7.5 display in the adjusted price section above the lock extensions section.

5 In the Profitability section, enter descriptions or select options from the drop-down list, and then enter amounts as needed.

- If the lock request is automatically locked, the profitability data from EPPS is transferred to the Buy Side Lock Request column.

6 Click the **Edit** icons to enter corporate or branch price concessions.

7 Enter the Investor Commitment # and add comments as necessary.

8 Above the Sell Side Lock and Pricing column, click **Copy from Buy Side**.

- The values from the Buy Side Lock and Pricing column are copied to the Sell Side Lock and Pricing column.

9 Above the Execution Comparison column, click **Copy from Buy Side** button.

NOTE: Use this column to compare the mandatory trade information with best efforts to gauge how well a hedge is performing.

- The values from the Buy Side Lock and Pricing column are copied to the Execution Comparison column.

- The **Execution Variance % (c-b)** is calculated by the Total Comparison Price - Total Sell Price.

- The **Execution Variance $ (c-b)** is calculated by the Execution Variance % x Total Loan Amount on the Lock Request Snapshot.

10 Complete the four investor information sections.

- Enter the SRP from Investor and Discount/YSP.

- Enter the investor's name and contact information, click the Address Book icon to select an investor from your business contacts, or click the Investor button to copy data from an investor template.

- Select a Servicing Type, and then enter the Servicer name or click the Address Book icon to import a servicer from your business contacts.

- Enter the lock information provided by the investor (if not copied from the Buy Side): Investor Commitment #, Lock Type, Investor Loan #, Investor Program Code, MIN from Investor, the dates and times for the lock and delivery, and any comments.

NOTE: Any business rules based on the rate being locked are in effect.Any business rules based on the rate being locked are in effect.

11 Click the **Compare with Current Loan Data** button to view differences between the current loan data and the lock request data.

12 If there are differences, a Compare with Current Loan Data window opens and displays the loan and lock request fields that have conflicting data. To overwrite the lock request data with the loan data, click the **Copy Loan Data to Lock Request** button.

13 On the Secondary Lock tool, click **Lock and Confirm** to lock the loan and confirm the lock to the requester.

- Or click **Update Sell/Comparison** to lock the loan without confirming the lock to the requestor. This option is typically used to temporarily lock a rate that has not yet been registered with an investor.

- When the **Withdrawn Date** is populated on the Correspondent Loan Status tool, and the **Lock and Confirm** or **Update Sell/Comparison** button is clicked, a warning message is displayed that states the date the loan was withdrawn and that the lock must be denied.

14 When you click **Lock and Confirm**, if there are differences between data in the current loan and the lock request, a confirmation window opens and displays the fields that have conflicting data.

15 To overwrite the lock request data with the loan data, click **Copy Loan Data to Lock Request**.

16 To lock and confirm the loan using the data in the Secondary Registration tool, click **Confirm**.

   • The loan rate is locked, the requester (loan officer) is notified, and an entry is added to the Loan Log. The request icon is changed to indicate that the request is locked.

   • The information on the locked request is read-only and cannot be changed (unless you use the **Revise Lock** button to change data and reset the lock date). However, you can add comments to the locked request by clicking the **Add Comments** buttons in the Buy Side or Sell Side sections.

NOTE: If your provider's product and pricing process is integrated with Encompass and you have been given permission by your administrator, the provider's user interface displays in a browser window inside Encompass where you can lock and confirm the rate with the provider.

Additional Lock Options

The Secondary Registration tool is designed to support additional rate lock options. Commonly-used options are described on the following page.

Lock and Confirm Before Registration

You can lock and confirm the Buy Side (to the requester) before you copy to the Sell Side Lock and Pricing column and register the loan with the investor.

1 On the Lock Request / Snapshot list, select the entry with the status of **Requested**.

   • The Secondary Lock tool opens. The left column shows details of the lock request.

2 Above the Buy Side Lock and Pricing column, click **Copy from Request** button.

   • The values from the Buy Side Lock Request column are copied to the Buy Side Lock and Pricing column.

   • The Buy Side Lock and Pricing column will reflect the Buy price after due diligence by the lock desk.

3 Change values in the request details as required. This is typically done to correct any errors or oversights in the request.

   NOTE: Refer to the Lock Request Form online help topic in Encompass for field-specific information.

4 Click **Lock and Confirm** to lock the loan and confirm the lock to the requester.

Register and Lock a Loan with an Investor

To register and lock a loan with an investor, complete the following steps.

1 Above the Lock / Request Snapshot list, click **New Lock**.

   • The Secondary Lock Tool opens and displays details from the currently locked loan.

2 Above the Sell Side Lock and Pricing column, click the **Copy from Buy Side** button.

3 Adjust any rates and prices as required, and complete the two investor information sections.

4 Click **Update Sell/Comparison** to lock the loan.

   • On the Lock / Request Snapshot list, the status of the new lock is set to Locked. The statuses of any previous locks are set to Old Lock.

Revise a Locked Request

You can revise Buy Side and Sell Side lock details of a locked request using the Revise Lock button.

1 On the Lock Request / Snapshot list, select a locked request.

2 On the Secondary Lock Tool, click **Revise Lock**.

3 Make changes and adjustments to the Buy Side and Sell Side lock details as required, and then click **Update Sell/Comparison** or **Lock and Confirm**.

   • The status of the lock is set to Locked. The statuses of any other locks are set to Old Lock.

Initiate a New Lock Based on a Non-System Request

You can create a new lock based on a non-system request (such as a phone or email request).

1 Above the Lock / Request Snapshot list, click N**ew Lock**.

2 Complete lock information in the Buy Side Lock and Pricing column.

3 Above the Sell Side Lock and Pricing column, click **Copy from Buy Side**.

4 Complete the two investor information sections.

5 Click **Lock and Confirm** to lock the loan and confirm the lock to the requester.

Return to a Previous Lock

You can open a lock with the status of Old Lock and change its status to Locked.

1 On the Lock Request / Snapshot list, select the entry with the status of **Old Lock**.

2 On the Secondary Lock Tool, make changes as needed, and then click **Update Sell/Comparison**.

- The status is set to Locked. The statuses of any other locks are set to Old Lock.

Deny a Lock Request

You can also deny a lock request as needed.

1 On the Lock Request / Snapshot list, select a request.

2 On the Secondary Lock Tool, click **Deny Lock**.

3 On the Lock Denial Comments window, enter comments as necessary, and then click **OK**.

- The Buy Side and Sell Side components of the request are cleared.
- The status of the request is changed to Denied.
- A log entry is created in the logs of both the requester and the lock desk user.
- A Pipeline alert is created for both the requester and the lock desk, and the lock request icon is removed.

Register a Loan Without Locking and Confirming

You can register a loan with an investor without taking any other action on a lock request. Registering a loan does not change the status of a lock request.

NOTE: You can also register a loan with an investor from the Borrower Summary form, without submitting a lock request.

1 On the Lock Request / Snapshot list, click the **Registration** tab.

2 Click **Add Registration**.

3 Set the Registered On and Registration Expires dates as required.

4 Enter an Investor Name, or click the **Address Book** icon to select an investor from your business contacts.

5 Enter a Reference Number, such as the commitment number.

6 Click **OK**.

- An entry is added to the log and the registration information is applied to the Registration section on the Borrower Summary form.
- An alert will display when the registration expires or expiration is pending (depending on your system settings).

Secure Form Transfer

Use the Secure Form Transfer tool to securely send loan forms to the borrower and other appropriate individuals. Transferred forms are converted to PDF format and an email is sent to the designated recipients. The email contains instructions for accessing the forms from the WebCenter, Encompass Consumer Connect, or Loan Center website.

To Transfer Secure Forms:

1 On the **Tools** tab, click **Secure Form Transfer**.
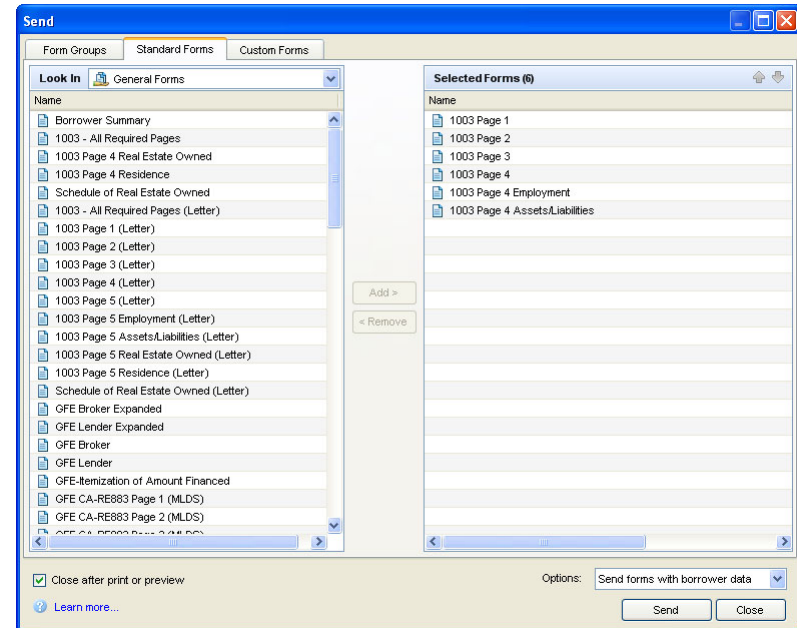
2 Select the forms to send as follows:

- Click the **Form Groups** tab and select a Public or Personal forms group.
- Click the **Standard Forms** tab and then click a category of forms (such as **Verifications**).
- Click the **Custom Forms** tab and select the Public or Personal folder containing the custom forms.

3 Select forms from the left-hand list and click **Add**.

The selections are added to the Selected Forms list on the right.

4 On the Selected Forms list:

- Select a form and click **Up** or **Down** to change the print order.

- Select a form and click **Remove** to remove it from the list.

5 On the Options list at the bottom of the window, click one of the send options.

6 Click **Send**.

7 On the Send window, click the **Mail To** and **CC** buttons to select recipients from the loan's file contacts.

NOTE: File contacts without email addresses do not display on the selection list.

8 Enter a Subject and Message.

9 Select **Notify me when the recipient has received the message** to receive a notification when the recipient opens the email.

10 To select other users who will receive email notifications when the recipient has received the message, click the **Notify Additional Users** button, add loan team users as described below, and then click **Save**.

To Notify Additional Users Who Are Loan Team Members:

1 Click the **Find** icon (magnifying glass) in the Add users to be notified section.

2 Select a user from the list and click **OK**

3 Enter a Notify Through date (after the selected date, the user will no longer receive notifications) and then click **Add**.

To Notify Additional Users Who Are Not Loan Team Members:

1 Enter an address in the Email Address field.

2 Enter a Notify Through date (after the selected date, the user will no longer receive notifications), and then click **Add**.

11 Click **Send**.

An email is sent to each recipient with instructions for retrieving the forms and a link to the WebCenter, Encompass Consumer Connect, or Loan Center website. The email recipients create their own login account, log in to the WebCenter, Encompass Consumer Connect or Loan Center, and then view the documents on the website.

Shipping Detail

Use the Shipping Detail tool to record information related to the shipping, delivery, and storage of the loan documents.

Shipping Details

Enter shipping dates and shipper information.

- The Investor Delivery Date (when the loan must be delivered to the investor), Investor, and Investor Loan Number are populated from the Secondary Registration tool.

- The Target Delivery Date is the date (typically a few days before that Investor Delivery Date) that you are targeting for the delivery of the loan.

- The Actual Ship Date is the date that the initial set of documents were shipped to the investor.

- The Recording Number is the number assigned when the deed is recorded with the county.

Delivery Information

1 Enter name, address, and contact details for the Ship To destination.

- Or click the **Address Book** icon to select a Ship To contact from the Investor category in your business contacts.

2 Enter name, address, and contact details in the Customer Service and Post Closing Trailing Docs sections.

- Click **Copy From Ship To** to copy the Ship To details to the Customer Service or Post Closing Trailing Docs sections, or click the **Address Book** icon to select from your business contacts.

MERS Registration

If you have registered the loan with MERS, enter the MERS number and the date the loan was registered. If you are using the Auto MERS MIN Numbering feature, (or entered the number on the Borrower Summary or RegZ-CD forms) the number will already be populated.

Physical File Storage

Enter information (such as location coordinates) that identify where the loan documents are located at the storage facility.

Status Online

Use the Status Online tool to publish loan status updates to a secure website for viewing by your borrowers and partners. You can also use the Status Online tool to customize the update information for each loan.

NOTE: If you have chosen to send status online updates automatically, and have attached an email template to a trigger, the Status Online email window will open when you exit a loan if the trigger was met. You will be prompted to select the recipients of the notification email.

To Publish Status Online Updates:

1 Click the **Tools** tab, and click **Status Online**.

- You can also click **Yes** in response to the Status Online message when you exit a loan.
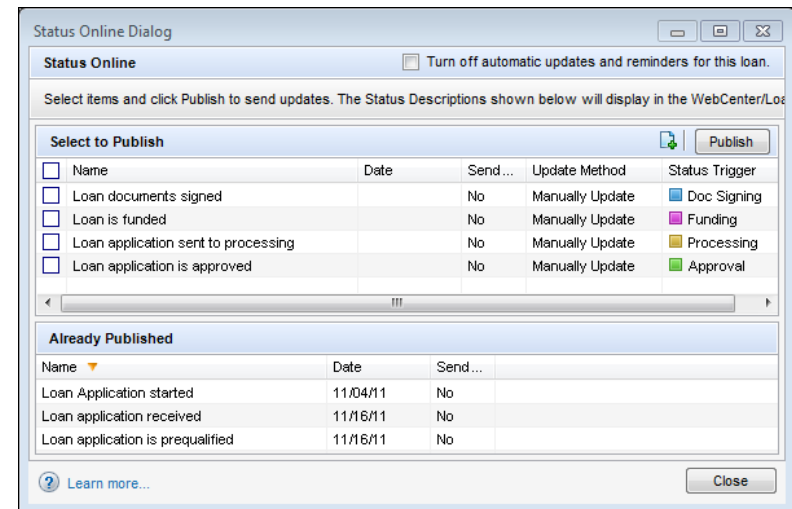
2 On the Available to Publish list, select one or more options, and then click **Add** to move the options to the Publish list.

Yellow highlighting indicates the option includes a milestone or document trigger that was reached on the date displayed.

3 Select the **Notify borrowers and partners via email** check box if you want to notify your borrowers and partners that an update has occurred (optional).

4 Click **Publish** and then click **OK** in response to the confirmation message.

- If you selected the **Notify borrowers and partners via email** check box, the Status Online Update window opens. Enter email addresses, a subject, and an optional message. You can also select an email template from the Subject list to add a predefined message.

- Click **Send**.

A standard email containing a link to the website is sent to the borrowers and partners you add to the email. The email recipients create their own login information, log in to the WebCenter, Encompass Consumer Connect or Loan Center, and then view the data on the website. The only way that your borrowers and partners can access the website is by receiving a Status Online email.

To Edit the Status Online Options for a Loan:

You can edit each option's Description and Trigger, add new options, and delete options. These changes do not affect the Status Online Configuration template.

1 On the **Tools** tab, click **Status Online**.

2 On the Status Online window, click the **Edit** icon.

3 On the Status Online Configuration window, add, edit, and delete options as required.

For detailed procedures, refer to "Personal Status Online" on page 3.

4 To add an existing option from your Status Online Configuration template, click **Add from Settings**.

- Options may exist in your template that are not in a loan if you added an option to the template after you originated the loan, or if the loan was originated by a different user.

5 To change the date associated with an option:

- On the Available to Publish list, double-click the **Date** field next to an option.
- Enter a new date, or click the arrow to open a calendar and select a date.

Re-Publish Updates
Each time you publish updates to the website, the items in the Publish list replace the information on the website. You can add, edit, and remove options from the list, even if they have already been published.

Status Online Update Entry in the Log
A Status Online Update entry is created when you publish a loan status update using the Status Online tool. The entry contains a description and details of the update, including a list of the statuses that were published.

Tasks

Use the Tasks tool to create, manage, and track the tasks to be completed at each milestone. You can also send alerts to other loan team members to request follow-up actions related to a task.

To Create a Task Entry:

1 On the Log, click the **New** icon, select **Task**, and then click **OK**.

- Or, click the **Tools** tab, click **Tasks**, and then click the **New** icon.
- Or, from a milestone worksheet, click the **Task List** button, and then click the **New** icon.

- Or, click the **Find** icon to select a predefined task.

2 On the Task worksheet, enter a task Name and Description.

3 Select the milestone with which the task is associated, and (optionally) select a priority.

4 As needed, in the Contacts section, click the **New** icon to add contacts that are associated with the task.

5 In the Status section, enter the number of days before the expected completion of the task in the Days to Complete field.

6 In the Comments section, enter additional information related to the task.

- Change the date and time as needed.
- If you click the **Date Stamp** button, the current date and time are added to the next blank line in the Comments section. Adjust this information as needed.

7 In the Follow Ups section, to request follow-up by a loan team member, select a team member, and then set the due date to request follow-up.

- A separate follow-up entry (with red text) is created in the Log.
- The alert displays on the selected loan team member's Pipeline.

8 Click **OK**.

To Edit a Task Entry:

1 Click the task entry in the Log.

- Or click the **Tools** tab, click **Tasks**, and then double-click to open a task.

2 Edit task information as required. Select the **Completed** check box in the Status section if the task is complete.

3 Click **OK**.

To Follow-Up on a Task Entry:

1 Click the red follow-up entry in the Log.

- Or click the **Tools** tab, click **Tasks**, then and double-click to open the task.

2 After completion of the follow-up action, select the **Followed up on** check box. Change the followed-up date if necessary.

- The alert entry is removed from the Log and the original entry is updated with the follow-up information.

- The alert is removed from the loan's alert list on your Pipeline.

3 Click **OK**.

To Record Completion of a Task:

1 In the Log, click the milestone entry with which the task is associated.

2 In the Tasks section of the milestone worksheet, select the check box of the completed task.

-OR-

1 Click **Tasks** on the Tools tab and double-click to open the task.

2 Select the **Completed** check box in the Status section and click **OK**.

TPO Information

After a loan is submitted by a TPO company from your TPO WebCenter or TPO Connect website, the TPO Information tool is automatically populated with loan data, based on the channel through which the loan was submitted. Authorized users can update the information in the TPO Information tool. They can also click the **View Details** button to access the External Company Setup settings for the TPO company. Access to this button can be controlled by persona.

If you receive a loan from a TPO from a source other than your TPO WebCenter or TPO Connect site, you can still populate the TPO Information tool by manually selecting options provided on the tool.

To View and Update the TPO Information Tool:

1 In the loan file, click the **Tools** tab, and then click **TPO Information**.

2 To update the information in the TPO Information tool, click inside the field that needs to be updated, and enter the new information. Not all fields are editable.

3 To update the TPO company name and its associated details, click the **Lookup** (magnifying glass) icon located next to the Name field in the Company Information section. (To update the branch information, click the **Lookup** (magnifying glass) icon located next to the Name field in the Branch Information section.)

4 In the Third Party Originator Selector window, select the TPO company, and then click **Select**.

- If you know the name, address, and/or phone number of the TPO company you want to add, you can search for the company using the filters in the Third Party Originator Selector window. Enter the first few characters of the name, address, and/or phone number, and then press **Enter**.

- Click the TPO company or branch in the search results, and then click **Select**.

5 Click the **Lookup** icon (magnifying glass) next to the DBA Name field to change the DBA name for the TPO company.

- In the Third Party Originator DBA Name Selector window, click to select the DBA name, and then click **Select**.

6 In the **Website** panel, enter details of the TPO WebCenter or TPO Connect site from which the loan was submitted.

7 In the **Originator Contact Information** panel, select the loan officer and loan processor submitting the loan from the Name drop-down lists.

- The selected loan officer/processor are now authorized to submit loans from the TPO WebCenter or TPO Connect site selected in the Website panel.

- The information in the other fields in this panel updates automatically based on the loan officer/processor selection.

8 In the **Correspondent File Contact** section, all fields in the section are automatically calculated/populated with correspondent file contact information and cannot be edited.

9 Click the **Save** icon.

To View External Company Settings for the TPO Company:

1 In the TPO Information tool, click the **View Details** button.

2 In the Company Information page, review the information as required.
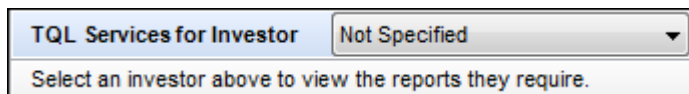
For more information on updating Company Information, see Encompass Installation and Administration Guide> External Company Setup chapter> Third Party Originators section.

TQL Services

Use the TQL Services tool to review fraud reports, 4506-T tax transcripts, and compliance reviews ordered from within Encompass. View the documents and the details provided by the tool to help ensure your loans meet total quality loan (TQL) standards. You can also share these reports and associated commentary with participating investors from this tool, enabling them to review the 4506-T transcripts, compliance reviews, and fraud reports to ensure loans meet their loan quality requirements.

To Specify an Investor:

• Select an investor from the TQL Services for Investor drop-down list at the top of the TQL Services screen.

NOTE: *Your Encompass administrator must use the TQL Services setting to select the investors who will be visible in the Investor drop-down list. (Investors must approve customers prior to the administrator enabling the investors in the TQL Services setting.) Contact your Ellie Mae account executive to begin the approval process.*

4506-T Service Orders

When 4506-T tax transcripts are ordered from within Encompass, the orders are automatically recorded in the table at the top of the 4506-T Service Orders section.The table at the top of the 4506-T Service Orders section displays the date and time when each order was submitted, the order number, the Encompass user ID of the individual who placed the order, the name of the 4506-T product that was

ordered, the status of the order, and an indication of whether the order was placed for the borrower (B), co-borrower (C), or both (B/C). Each entry also includes a View Details link to view the Order Details window for an order.

NOTE: *If an investor requires specific types of IRS transcripts for a loan, an alert will display in the section header above the table.*

To Order a 4506-T Transcript:

• Click the Request for Transcript of Tax link in the section header to open the Request for Transcript of Tax form.

• For detailed information about ordering, retrieving, and importing the transcript, refer to the *Request for Transcript of Tax* topic in the Encompass online help.

Documents and Results

When you select an 4506-T transcript order with a status of Retrieved or Imported, the Documents sections displays a list of transcripts that were returned for the order.

To View a Transcript:

• Select a entry from the Documents section, and then click the **Document** icon. The transcript will open in a Preview window.

To Import a Transcript into the eFolder:

• If you did not previously import the transcript via the Request for Transcript of Tax form, select a transcript in the Documents section, and then click the **Import** button.

NOTE: *To import a transcript into the eFolder, your Encompass administrator must give you access to the document in the Role Access to Document setting in the Business Rule settings.*

When you select a transcript in the Documents section, the Results section displays 4506-T information in the column for the appropriate year, including the total income, the variance percentage, and an indication of whether the variance has been exceeded. The Input column displays the information that was entered in the loan file.

Fraud Service Orders

When fraud reports are ordered from the TQL Services tool, the orders are recorded in the table at the top of the Fraud section. The table at the top of the Fraud section displays the date and time when each order was submitted, the Encompass user ID of the individual who placed the order, the name of the fraud report product that was ordered, the status of the order, and the number of alerts associated with the order.

When a fraud report is returned to Encompass, the status is changed to Completed, and the report is automatically imported into the eFolder for the loan.

If an investor requires specific types of fraud report for a loan, an alert will display in the section header above the table.

To Order a Fraud Report:

1 In the Fraud Service Orders section, click the **Order** button.

2 If required fields are missing, a window will display the list of fields. Select a field, click **Go to Field**, and complete the field. Repeat the process for all fields, and then click the **Refresh** icon.

3 When the Fraud Service Order Details window opens, review the information on the **Order Details** and **Loan Actors** tabs.

4 To change a loan actor's name, double-click the cell in the First Name or Last Name column, and then enter your changes.

5 When finished, click **Order**.

6 Click **OK** when the confirmation window displays.

   • An entry for the report order will display in the table at the top of the Fraud Orders section.

NOTE: *Only a fraud report ordered from the TQL Services tool or Borrower Summary can be added to the TQL Services tool. Reports ordered from the Services tab in Encompass are not imported into the TQL Services tool. For information about ordering fraud reports from the Services tab, refer to "Ordering Services" on page 39.*

Documents and Results

When you select a fraud report order with a status of Completed, the Documents sections displays a list of reports that were returned for the order. When you select a report from the Documents sections, the Results section displays a list of alerts generated by the report, including severity flags, the alert category, and a message with a short description of the alert.

To View a Fraud Report:

• Select a report from the Document section, and then click the **Document** icon.

• The report will open in a Preview window.

To View the Alert Details Window:

• Double-click an entry in the Results section.

• The window will display the alert category, the severity of the alert, the full alert message, and a recommendation for addressing the alert.

Compliance Orders

When compliance reviews are ordered from within Encompass using the Encompass Compliance Service, the orders are automatically recorded in the table at the top of the Compliance Orders section. The table displays the date and time when each order was submitted, the order number, the Encompass user ID of the individual who placed the order, the name of the compliance product that was ordered, the status of the order, and the result of the order. When a compliance review is returned to Encompass, the status is changed to Completed, and the report is automatically imported into the eFolder for the loan.

NOTE: *If an investor requires specific types of compliance reviews for a loan, an alert will display in the section header above the table.*

To Order a Compliance Review:

• Click the **Order** button.

• When the order is complete, the Compliance Review tool will open with the report displayed.

- For detailed information about viewing compliance reviews, refer to the *Compliance Review* topic in the Encompass online help.

Documents and Results

When you select a compliance review order with a status of Completed, the Documents sections will display a list of reports that were returned for the order, and the Results section will display information about the contents of the report, including the results, the review category, and, if applicable, a message that provides a short description of the issue involved.

To View a Document:

- Select a compliance review from the document section, and then click the **Document** icon. The document will open in a Preview window.

Valuation Service Orders

When Citibank is selected as the investor, the Valuation Services Orders section is used to order Automated Valuation Model (AVM) reports through the Correspondent Collateral Valuation Program (CCVP) provided by CoreLogic. CCVP reports provide an estimated value for single-family, condominium, townhouse, and planned unit development (PUD) properties.

When CCVP reports are ordered from the TQL Services tool, the orders are recorded in the table at the top of the Valuation Service Orders section. The table at the top of the Valuation Service Orders section displays the date and time when each order was submitted, the Encompass user ID of the individual who placed the order, the name of the AVM product that was ordered, the status of the order, and the number of alerts associated with the order. A loan must have a status of Pass for one of the two CCVP reports before it can be published to Citibank via the TQL Services tool.

To Order a CCVP Report:

1 Click the **Order** button.

   NOTE: The Order button is enabled only when Citibank is selected as the investor.

2 If required information is missing from the loan file, a pop-up window lists the fields and allows you to complete the missing information and continue with the order.

3 On the Valuation Service Order Details window, on the **Order Detail** tab, select an Appraisal Type and Appraisal Date.

4 On the **Appraisal Comps Data** tab, click the **Add** icon to add a comp for a similar property.

5 Complete the information on the Appraisal Comp Data window, and then click **OK**.

6 Repeat steps 4-5 to add additional comps. CCVP permits a maximum of six comps per order.

7 When finished, click **Order**.

8 If the loan passes the CCVP report, click **OK** when the confirmation window displays.

   - After an order has been submitted, an entry for the report order will display in the table at the top of the Valuation Service Orders section.

9 If both CCVP reports for the loan fail, a pop-up window allows you to agree to deliver an alternate report to Citibank outside the TQL Services tool by selecting the check box, selecting a report type from the drop-down list, and then clicking **OK**.

   - You can then send the report to Citibank outside the TQL Services tool.

Documents and Results

After an order is submitted, an entry is created on the order list. When you select the entry for an order, the Documents section displays the document that was returned for each of the reports that were returned. The Results section displays the name and result of the report, and a message related to the report order, which can contain the Confidence Score and Forecast Deviation Score for PASS reports.

To View an CCVP Report:

- Select a report from the Document section, and then click the Document icon.

- The report will open in a Preview window.

To View the CCVP Details:

- Click the View Details link in the Order History column to view order details.

Comments to Investor

Use the Comments to Investor section to enter comments that the investor can view on the secure website when the loan is published.

To Publish a Loan to an Investor:

1 Open a loan in Encompass.

2 Click the **Tools** tab, and then click **TQL Services**.

3 Select an investor from the drop-down list at the top of the form.

   NOTE: Your Encompass administrator must use the TQL Services setting to select the investors who will be visible in the Investor drop-down list. (Investors must approve customers prior to the administrator enabling the investors in the TQL Services setting.) Contact your Ellie Mae account executive to begin the approval process.

4 In the Comments section, enter comments for the investor in the New Comments field.

5 Click the **Start Publishing to Investor** button, and then click **OK** when the confirmation message displays.

   • After you start publishing, any new or changed content on the TQL Services tool will be visible to the investor when you exit the loan file.

   • If you stop publishing, order additional reports, and then start publishing again, only the most recent copy of each report ordered while publishing was stopped will be published to the investor.

6 After you start publishing, your comments will display in the Previous Comments field. To send additional comments, enter the comments in the New Comments field, and then click the **Send Comments to Investor** button.

7 To stop publishing to the investor, click the **Stop Publishing to Investor** button. The loan will still be visible to the investor on the secure website, but the publishing status will change to make the investor aware that updated loan information is no longer being published.

NOTE: After you start or stop publishing to an investor, a note is added below the TQL Services for Investor header to indicate the date and time when you started or stopped publishing the loan to the investor. The note displays when you select the appropriate investor from the drop-down list.

Trust Account

Use the Trust Account tool to record payments from and receipts into the trust account established for the loan. For example: appraisal fees, credit report fees, and borrower payments.

To Record Payments and Receipts:

1 Enter a Transaction Description.

2 Enter or select the Trans. Date

3 Add any additional notes related to the transaction.

4 In the Payments or Receipts column, enter the Trans. Date, Check #, Amount, and any applicable Notes.

Current Totals

The total payments and receipts display at the bottom of the worksheet. The balance is calculated by subtracting the total payments from the total receipts.

Underwriter Summary

Use the Underwriter Summary to assemble the key information needed to determine the creditworthiness of the borrower, the value of the subject property, and if the loan should be approved. Some of the information on the form will already be completed using data entered on other loan forms.

Use the ATR/QM link on the upper-right corner of the Underwriter Summary tool to access the quick entry dialog box for the ATR/QM Management form to view the current status of ATR/QM assessments while continuing to work in the Underwriter summary tool.

Underwriter Information

1 On the top section of the form, enter the Loan Number and Date, and any necessary information that is not already populated in the sections for Borrower and Property Information, Loan Information, and Income, Assets, Liabilities, and Expenses.

2 On the Loan Information bar, click **Subordinate Financing** to enter or edit information about 1st, 2nd, and additional mortgages. Click the P**repayment Penalty** button to record or change details related to the prepayment penalty, if any.

3 To change the prepayment penalty wording on the RegZ-LE, select an option from the Prepayment Penalty list in the Loan Information section.

4 Select the **HMDA CLTV** check box in the Loan Information section to indicate that the underwriter did not use the CLTV value (either the default Encompass value or the value specified in the HMDA Profile setting) when making an underwriting decision for the loan.

5 Select the **HMDA Income** check box to indicate that the underwriter did not use the income value (either the default Encompass value or the value specified in the HMDA Profile setting) when making an underwriting decision for the loan.

Ratios and Funds Needed

1 Record the ratios that describe the borrower's primary housing expenses compared to income and liabilities.

2 Select the **HMDA DTI** check box to indicate that the underwriter did not use the debt-to-income ratio (either the default Encompass value or the value specified in the HMDA Profile setting) when making an underwriting decision for the loan.

3 Complete information about loan funds that were gifted to the borrower or provided by other interested parties, such as the co-borrower.

4 Record information about the borrower funds need to close and the borrower's remaining reserves after closing.

Credit Information

1 Enter the credit scores for the borrower and co-borrower, the minimum credit score required for the loan program, and the credit score that is being used for the decision-making process.

2 For a refinance loan, include the total debt to be paid off.

Escrow Information

1 Enter the escrow impounds including payments for taxes and insurance.

2 To view and edit information related to the Section 32/High Cost Loan entry, click **Section 32 HOEPA** to open the form.

Underwriting Decision

1 After a loan has been approved, suspended, or denied, enter the name of the underwriter who recommended the action or click the **Address Book** icon to select an underwriter from your business contacts.

2 Record the date when the action was taken, and then enter expiration dates for any approvals.

3 Select one of the three check boxes directly below the approve/suspend/deny fields if a method other that AUS is being used to ensure that a loan is eligible for Agency/GSE QM status.

- Check boxes selected here will also be selected in the Risk Assessment section on the **Qualifications** tab on the ATR/QM Management form.

4 Complete the fields in the Modified Terms section if the underwriter recommends approving the loan under modified terms. Click **Copy Modified Terms to Loan** to replace the current loan terms in the loan file with the modified terms.

When suspending a loan:

When suspending a loan, you should also perform the following steps:

- Enter details about the suspension in the Suspended Reasons text box on the Underwriter Summary Page 2.

- On the eFolder's Underwriting Conditions tab, open the condition or document that is causing the suspension and then enter the steps needed to remove the suspension on the Comments tab.

- On the Conditional Approval milestone worksheet, enter the reasons for the suspension in the Comments section and then click Return File to Sender to return the file to the loan processor.

When rejecting a loan

When rejecting a loan, you should also perform the following steps:

- On the Underwriter Summary Page 2, select Application denied from the Action Taken drop-down list.

- Complete the Statement of Denial form.

- On the Conditional Approval milestone worksheet, enter the reasons for the rejection in the Comments section and then click Return File to Sender to return the file to the loan processor.

Underwriter Summary - Page 2

Use page 2 of the Underwriter Summary to enter additional information about the underwriting process, including the underwriter name, key dates in the process, and additional information needed to determine the creditworthiness of the borrower. Some of the information on the form will already be completed using data entered on other loan forms.

Underwriting Information

1 In the upper portion of the form, enter tracking information, and dates related to the underwriting process.

2 If the loan has been suspended, enter related comments in the Suspended Reasons field.

3 If the status of the loan has changed, select an action from an Action Taken from the list, and then enter the date when the action occurred.

4 Enter information regarding the automated underwriting system (AUS).

5 Enter comments related to Strengths, Concerns, Credit, Appraisal, and Exceptions.

Credit Info

Enter information from the credit report, including past due, bankruptcy, and foreclosure details.

- In the "# of Days" fields, enter the number of times that a payment was late for each time segment. For example, if Experian reported two payments that were 60 days late, enter 2 in the Experian/# of 60 Days field.

Investor Info

Enter the Name, Grade, and Score for up to three investors that the loan may be sold to in the secondary market.

Appraisal Info

Enter appraisal information for the original appraisal and appraisal review.

FNMA Info

1 Enter Flood Zone Info, including the name of the flood insurance company and certificate number.

2 Enter Property Info, typically found on the title report.

Worst Case Pricing Tool

If the loan program selected at the time of lock is no longer eligible, secondary and lock desk users can use the Worst Case Pricing Tool to compare current pricing versus pricing at the time of the lock. Based on the comparison, the "worst" case pricing can be selected.

NOTE: This tool is only available to users assigned with the Secondary Marketing persona.

To Run Worst Case Pricing:

1 From the Pipeline, open the loan you want to perform worst case pricing on.

- The loan must have used EPPS for the initial Get Pricing request.
- The loan must be locked (but does not have to be active).

   NOTE: If the loan does not fulfill the criteria, a warning will display and you will not be able to use the Worst Case Pricing Tool.

2 Click the **Tools** tab, and then select **Worst Case Pricing**.

- Or click on the **Lock** icon and then select **Worst Case Pricing**.

3 The Historical Pricing section is populated with the lock information from the most recently confirmed snapshot.

   NOTE: The Current Pricing section is empty unless the loan is a correspondent loan associated with a Third Party Originator (TPO).

- In Encompass 17.2 and later, if the loan is confirmed with an extension, the following additional fields are displayed:
  - Original Lock Expiration Date
  - Current Lock Expiration Date
  - Days to Extend
  - New Lock Expiration Date
  - Price Adjustment
- In Encompass 18.2 and later, the Commitment Type and Delivery Type are displayed if the loan is a correspondent loan and the loans is associated with a TPO on the TPO Information tool.
  - The fields in both the Historical Pricing and Current Pricing columns are populated from the last "confirmed" lock snapshot.

- If the correspondent loan is part of a trade, an error message, "The Worst Case Pricing tool cannot be used with loans that are assigned to a correspondent trade. The loan must first be removed from the trade to enable Worst Case Pricing." is displayed.

- The Delivery Type is populated based on the selected Confirmation Type:

  - The available commitment types are based on the types specified on the External Company Details Commitments tab of the TPO client associated with the loan.

  - If the Commitment Type is "Best Efforts", then the Delivery Type will be "Individual Best Efforts".

  - If the Commitment Type is "Mandatory", then the Delivery Type will be "Individual Mandatory".

- In Encompass 18.2 and later, for inactive locks:

- You can apply re-lock fees and/or custom price adjustments to revised locks on inactive locks in the Re-Lock Fees and/or Custom Price Adjustments sections.

  - Up to ten (10) fields are available.

  - Negative numbers are accepted.

  - Values up to three (3) decimal places are accepted.

- The column is populated from the most recent active lock for the loan, including any lock extensions, re-lock fees, and custom price adjustments.

- All fields except Loan Program and calculated totals can be edited.

4 Click **Get Historical Pricing** to request pricing based on the loan data at the time of the lock from EPPS.

   NOTE: When EPPS opens, only the Qualify and Summary tabs are displayed.

- At the top of each tab, "Currently showing historical prices!" is displayed to differentiate between a historical pricing request and a current pricing (or future pricing) request.

- On the EPPS Qualify tab, select a loan program and line of pricing, and then click **Qualify**.

- On the Summary tab, review the information, if needed, and then click **Submit**.

- When the Encompass Product and Pricing Service Pricing Import popup window displays, click **OK**.

- The Historical Pricing section is populated with the lock information from the program you selected.

  NOTE: The original lock date and expiration date remains unchanged.

- If the loan is confirmed with an extension, the Lock Date, Lock Days to Extend, New Lock Expiration Date, and Price Adjustment are copied to the lock request snapshot.

- If a re-lock is available and there are non-product related price adjustments:

  - The next available (blank) Re-Lock Fee field in the Historical column is populated with a description that matches the occurrence (e.g., Re-Lock Fee #3 field is populated with the description "Re-Lock #3).

  - If a re-lock fee is established (on the Product and Pricing setting), that fee is populated in the associated Re-Lock Fee amount field.

5 Click **Get Current Pricing** to request pricing based on the current loan data from EPPS.

NOTE: When EPPS opens, only the Qualify and Summary tabs are displayed.

- On the EPPS Qualify tab, select a program, and then click **Qualify**.
- On the Summary tab, review the information, if needed, and then click **Submit**.
- When the Encompass Product and Pricing Service Pricing Import popup window displays, click **OK**.
- The Current Pricing section is populated with the lock information from the program you selected.

NOTE: The original lock date and expiration date will be reset.

- If the loan is confirmed with an extension, the Lock Date, Lock Days to Extend, New Lock Expiration Date, and Price Adjustment are copied to the lock request snapshot.

- If a re-lock is available and there are non-product related price adjustments, all non-product related fees (extensions, re-lock fees, and CPAs) are cleared from the Current Pricing column.

6 Determine which pricing scenario you want to submit, and then click **Submit Historical Pricing** or **Submit Current Pricing**.

NOTE: If historical pricing is submitted, the original lock date and expiration date remain unchanged. If current pricing is submitted, a new lock date is recorded and the expiration date is updated.

- If the loan is confirmed with an extension and **Submit Historical Pricing** is selected, the Request Type on the Secondary Lock Tool will be set to "Request" and the five new extended lock fields will be displayed.
- If the loan is confirmed with a re-lock and **Submit Historical Pricing** is selected but **Get Historical Pricing** was not clicked, then a warning message, "A Re-Lock Fee has not been generated for this request. If you wish to continue without a Re-Lock Fee click OK, otherwise click Cancel." is displayed.

7 Click **Submit** in response to the confirmation message.

8 In the popup window, click whether you want to **Exit Loan** or **Keep Loan Open**.

NOTE: All data on the Worst Case Pricing Tool is blanked out.

9   Go to Secondary Registration to view the new lock request (including the latest loan data).

10 Lock and confirm the loan.

> ***NOTE:*** *If the **Enable Auto Lock and Confirm upon lock request** Admin setting is enabled, the lock request will be automatically locked and confirmed.*

Get Buy Side Pricing

After a historical pricing request is submitted through the Worst Case Pricing Tool, a Get Buy Side Pricing request will run the pricing request based on the effective (lock) date and time.

Chapter 17

Setting Up the Ellie Mae Network

What is the Ellie Mae Network?

The Ellie Mae Network connects Encompass to online service lenders and service providers.

Using the Ellie Mae Network, you can:

• Define a network of preferred providers

• Connect to providers and order services from within Encompass

• Deliver loan file data

• Receive AU decisions

To learn more about the features and benefits of the Ellie Mae Network, go to Ellie Mae's Solutions page at http://elliemae.com/solutions.asp.

Setting Up Ellie Mae Network Provider Accounts

Before you can order products and services using the Ellie Mae Network, you must establish accounts with your service providers. When you establish an account, you will receive a user ID and password from the provider. You can then begin to order services.

NOTE: To set up accounts and configure your personal list of service providers, your system administrator must authorize you to create individual service provider accounts. Authorization is granted to your assigned persona by category of provider or for all service providers.

To Set Up An Account:

To set up an account from the **Services** tab, simply submit information to the service provider. The provider is automatically added to your personal preferred provider list.

1 Open a loan and click the **Services** tab.
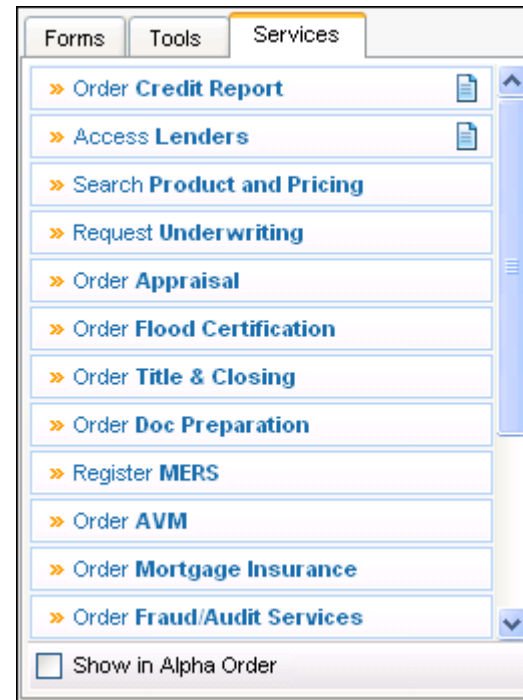
2 Click the button (such as **Order Credit Report**) associated with the provider's service category.

Or, click the **Order Additional Services** button to view and select a provider from additional categories.

3 Click the **All Providers** tab.

4 Click the **More info** link associated with a service provider.

5 On the service provider's storefront, click the link or option used to establish an account. The wording of the link will vary, depending on the service provider.

6 Follow the provider's instructions for submitting your registration information.

The Password Manager

When you order a service, you will enter login information for the selected service provider. For some service providers, you can use the Password Manager to store this information and automate the login process.

To Set Up the Password Manager:

1 Open a loan and click the **Services** tab.

2 Click the button (such as **Order Doc Preparation**) associated with the provider's service category.

    On either the **My Providers** or **All Providers** tabs, a **Password Manager** link displays for providers that support the use of automated logins.

3 Click a **Password Manager** link.

4 Enter your login information for the selected provider and click **Save**.

Custom Links

You can add links to any URL (such as your company's website) using the Custom Links feature. You can add a custom link to a service category and you can also add a maximum of five custom links to your My Other Links list.

NOTE: You can also add links to any URL from the Custom Links module on the Encompass Home Page. For details, refer to the "Creating Custom Links" topic in the Encompass online help.

To Add a Custom Link to a Service Category:

1 Open a loan and click the **Services** tab.

2 Click the button (such as **Order Credit Report**) for a service category.

3 Click the **All Providers** tab, and then click **New Provider**.

4 Enter a Link Title that will display on your My Providers list.

5 Enter the Link URL, using the format: http://www.[remainder of URL]

6 Click **Add Custom Link** to add the provider to your list.

NOTE: Not all service categories allow you to add custom links.

To Add a Custom Link to Your Other Custom Links List:

1 Open a loan and click the **Services** tab.

2 Click the **View My Custom Links** button.

3 Click **New Link**.
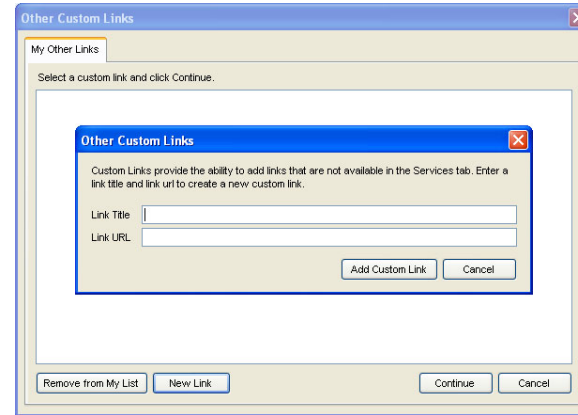
4 Enter a Link Title and Link URL.

   • The Link Title is the description that displays on your My Providers list.

   • For the Link URL, use the format: http://www.[remainder of URL]

5 Click **Add Custom Link**.

To Select a Custom Link

1 On the **Service**s tab, click the button for the category in which you added the custom link.

2 Click the custom link from the My Providers list.

   • If you added the custom link to the Other Custom Links category, click the **View My Custom Links** button, and then click the link from the My Other Links list.

Using the Ellie Mae Network with Encompass

Refer to Chapter 7, "Ordering Services" on page 227, and the Encompass online help for details on ordering services electronically from your providers.

Appendix A

Disclosure Tracking Tool Field Calculations

The Compliance Timeline section on the Disclosure Tracking tool provides date fields that show when the loan application was received, when the first disclosure was sent to the borrower, when the borrower indicated an intent to proceed, the earliest fee collection date, the earliest closing date, and the estimated closing date. The LE Tracking and CD Tracking sections provide date fields that enable you to track when the initial Loan Estimate and Closing Disclosure were sent and received by the borrower and when revised Loan Estimate and Closing Disclosure forms were sent and received. The Other Tracking section allows users to type or select dates when additional forms were sent to the borrower.

Many of the fields are automatically calculated in accordance with the Real Estate Settlement Procedures Act (RESPA) regulations effective October 3, 2015. Below are the methods used to enter dates in the calculated fields.

For additional information about the Disclosure Tracking tool, refer to "2015 RESPA-TILA Forms" on page 87 or the *"Disclosure Tracking Tool"* Quick Reference Guide (accessible from the online help).

Compliance Timeline

Field	Calculation
Application Date	Date that all default Send Initial Disclosure trigger fields are populated. When all of these fields contain values, there is sufficient information to complete the application. The trigger fields are:
	• Borr First Name (Field ID 4000) • City (12) • Borr Last Name (4002) • State (14) • Borr SSN (65) • Zip (15) • Total Monthly Income (736) • Estimated Value (1821) • Subject Property Street (11) • Loan Amount (1109)
LE Due	This date is three days after the Application Date. • A "day" is any day lender is open to conduct business according to the Our Company Calendar in the Compliance Calendar setting. • According to 2015 RESPA-TILA regulations, the next business day after the Application Date (field ID 3142) is considered day one when calculating the LE Due date. However, Encompass administrators may use the Disclosure Tracking Settings tool to include the Application Date in the LE Due calculation (i.e., the Application Date is considered day one). • The Loan Estimate must be delivered or sent before the end of Day 3.
eConsent	This field is populated when the borrower or borrowers access a secure website and agree to receive the loan documents electronically.
Intent to Proceed	The date you determine the borrower intends to proceed with the loan. This field is populated from the Received Date (field ID 3197) on the Loan Estimate Page 1 input form.

Compliance Timeline

Field	Calculation
Earliest Fee Collection	One of the following two dates: • The date you determine that the borrower intends to continue with the loan (field ID 3197). • The date when the borrower receives the Loan Estimate. The receipt date is set as the date the fax was sent, the date the email was opened, 3 days after the Loan Estimate was mailed, or 1 day after it was sent by overnight delivery. This date is calculated using the Reg-Z Business Day Calendar in the Compliance Calendar setting.

Earliest Closing	The following calculations are used to determine this date:
	• If an initial Loan Estimate has been sent, the Earliest Closing date is the LE Sent date (field 3152) plus 7 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting.
	• If a revised Loan Estimate has been sent but not received (the Revised LE Received date is in the future), the Earliest Closing date is the Revised LE Sent date (field 3154) plus 7 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting. The Revised LE Sent date is not counted as one of the 7 days.
	• If a revised Loan Estimate has been sent and received, the Earliest Closing date is the Revised LE Received date (field 3155) plus 3 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting. The Revised LE Received date is not counted as one of the 3 days.
	  • If an initial Closing Disclosure has been sent but not received, the Earliest Closing date is the CD Sent date (field 3977) plus 6 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting. The CD Sent date is not counted as one of the 6 days.
	  • If an initial Closing Disclosure has been sent and received, the Earliest Closing date is the CD Received date (field 3978) plus 3 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting in the Compliance Calendar setting. The CD Received date is not counted as one of the 3 days.
	  • If a revised Closing Disclosure has been sent and Change in APR, Change in Loan Product, or Prepayment Penalty Added has been selected on the Disclosure Details window as the reason for the revised Closing Disclosure:
	  • If the revised Closing Disclosure has been sent but not yet received (the Revised CD Received date is in the future), the Earliest Closing date is the Revised CD Sent date (field 3979) plus 6 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting. The Revised CD Sent date is not counted as one of the 6 days.
	  • If a revised Closing Disclosure has been sent and received, the Earliest Closing date is the Revised CD Received date (field 3980) plus 3 days, based on the Reg-Z Business Day Calendar in the Compliance Calendar setting. The Revised CD Received date is not counted as one of the 3 days.
	• The Earliest Closing date is re-calculated when:
	  • A revised Loan Estimate is excluded or included.
	  • A revised Closing Disclosure disclosed due to any of the reasons listed above (Change in APR, Change in Loan Product, or Prepayment Penalty Added) is excluded or included.
	• A "day" is any day lender is open to conduct business according to the Reg-Z Business Day Calendar in the Compliance Calendar setting.
	NOTE: *If a revised Loan Estimate or Revised CD (with a change of circumstance caused by an APR change, loan product change, or additional prepayment penalty) is disclosed, the calculations described above use the Revised LE Sent, Revised LE Received, Revised CD Sent, and Revised CD Received dates instead.*

Estimated Closing	• This date is populated from the Estimated Closing Date in the loan file (field ID 763), but the date can be edited.

LE Tracking

Field	Calculation
LE Sent	The date when the earliest version of the Loan Estimate is sent to the borrower, ignoring Loan Estimates that were excluded from the timeline in the Disclosure Tracking Tool.
LE Received	The date the borrower received the Loan Estimate. The calculation for this date varies based on the delivery method. • In Person or Fax - The date sent. • Email, U.S. Mail, or Other - Three days after the date sent unless the Actual Received Date is selected manually. • eDisclosures - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper in the Encompass Help site.
Revised LE Sent	The LE Sent date for the most recently sent Loan Estimate. This field is blank if there is only one Loan Estimate being tracked in the Disclosure Tracking tool
Revised LE Received	The date the borrower received the most recently sent Loan Estimate. The calculation for this date varies based on the delivery method. • In Person or Fax - The date sent. • Email, U.S. Mail, or Other - Three days after the date sent unless the Actual Received Date is selected manually. • eDisclosures - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper in the Encompass Help site.
SSPL Sent	Sent Date of the earliest Settlement Service Providers List with a tracking record not excluded from the timeline. If the Settlement Service Providers List and Loan Estimate are disclosed together, the date is the Sent Date of the earliest Loan Estimate not excluded from timeline. If the Settlement Service Providers List and the Closing Disclosure are disclosed together, the date is the Sent Date of the earliest Closing Disclosure not excluded from timeline.

CD Tracking

Field	Calculation
CD Sent	The date when the earliest version of the Closing Disclosure is sent to the borrower, ignoring Closing Disclosures that were excluded from the Disclosure Tracking timeline.
CD Received	The date when the borrower received the Closing Disclosure. The calculation for this date varies based on the delivery method. • In Person or Fax - The date sent. • Email, U.S. Mail, or Other - Three days after the date sent unless the Actual Received Date is selected manually. • eDisclosures - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper
Revised CD Sent	The CD Sent date for the most recently sent Closing Disclosure. This field is blank if there is only one Closing Disclosure being tracked in the Disclosure Tracking tool.
Revised CD Received	The date when the borrower received the most recently sent Closing Disclosure. The calculation for this date varies based on the delivery method. • In Person or Fax - The date sent. • Email, U.S. Mail, or Other - Three days after the date sent unless the Actual Received Date is selected manually. • eDisclosures - For detailed information about how this date is populated for eDisclosures, refer to the Loan Estimate and Closing Disclosure Tracking Dates white paper.
Post Consummation Disclosure Sent	The Sent Date from the **Details** tab in the Disclosure Details window for the most recent Closing Disclosure with the Disclosure Type **Post Consummation** option selected (on the **Details** tab in the Disclosure Details window).
Post Consummation Disclosure Received	The latest of the following dates from the Document Details window for the most recent Post Consummation Closing Disclosure that has not been excluded from timeline: Borrower Presumed Received Date, Borrower Actual Received Date, Co-Borrower Presumed Received Date, or Co-Borrower Actual Received Date. The date is recalculated when the Disclosure Type is modified or when a Post Consummation Disclosure is included in or excluded from the timeline.

Other Tracking

Field	Calculation
Affiliated Business Disclosure Provided	The date an Affiliated Business Arrangement Disclosure is provided to the borrower (i.e., the date sent via U.S. Mail, the date delivered face to face, etc.)
CHARM Booklet Provided	The date the licensee provided the Consumer Handbook on Adjustable Rate Mortgages (CHARM) or a suitable substitute at the time of application. If the application is sent via U.S. Mail this disclosure must be included in the packet.
Special Info Booklet Provided	The date that HUD's Special Information Booklet is sent to the borrower. If sent via U.S. Mail, the booklet is deemed received by the end of the third day after the booklet is sent. A "day" is any day of the week excluding Sundays and Legal Holidays according to the U.S. Postal Calendar in Compliance Calendar setting.
HELOC Brochure Provided	The date the Special Brochure for Open-Ended Credit Plans is sent to the borrower.
1st Appraisal Provided	The date the first completed appraisal is sent to the borrower.
Subsequent Appraisal Provided	The date the second completed appraisal is sent to the borrower.
AVM Provided	The date the automated valuation model report is sent to the borrower. According to CFPB regulations, the AVM must be provided within a week after its receipt and with sufficient time before consummation (or account opening for open-end credit).
Home Counseling Disclosure Provided	The date home counseling information is sent to the borrower. According to CFPB regulations, lenders are required to provide a list of home ownership counseling organizations to consumers by the end of the third business day after they apply for a mortgage loan, with the exclusion of reverse mortgages and mortgage loans secured by a timeshare.
High Cost Disclosure	The date the Section 32 High Cost disclosure is signed. Under Reg Z, a creditor must furnish the Federal High Cost Section 32 disclosures at least three business days before consummation. Section 32 Disclosures are considered furnished when received by the consumer, which would be documented by the consumer's signature. For the purposes of determining the loan's consummation date, the Encompass Compliance Service (ECS) will use the first available date out of: • Document Signing Date [field 1887] • Loan disbursement Date [field 2553] • Estimated Closing Date [field 763]

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