

# Red Diamond Pre-Qualification Steps

5/6/2019

Steps	Est Time- Minutes Per Application	HIGHLIGHTS	Details of Step:	RMLO Responsibility	Sales Assistant to Review Documents	Additional Notes
Sales Assistant In Yellow			<b><u>Sales Assistant Communication Plan:</u></b>			
		RMLO in Blue	Initially, sales assistant will not communicate with the borrower either verbally or in writing. All borrower communication will be the responsibility of the RMLO. This may change over time.	No	Yes	No verbal or written communication will go to the borrower, just with the RMLO and Red Diamond Management.
			RMLO responsibility: RMLO will have full file responsibility with the assistance as outlined here from the Sales Assistant.	Yes	No	All communication with the borrower will be handled by the RMLO. Sales Assistant will communicate with the RMLO and Red Diamond Management.
			Borrower Application Data Received in Encompass: Can be loaded from an Online loan application, Phone call with the RMLO, In-person with the RLMO)	Yes	No	Full Loan Application Taken
<b><u>Initial Application Received</u></b>						
1	5	Watch for Applications Submitted in Encompass. Notifications will be sent to the Sales Assistant's Email Address.	Notification of new loan application goes to RMLO & Sales Assistant through Encompass.	No	Yes	Sales Assistant reviews the client's application on Encompass.
		Sales Assistant will send an email notification to the RMLO that they will begin working on the application.	Sales Assistant confirms the completeness of all information received. (Full 1003 is critical)	No	Yes	Sales Assistant reviews the client's application on Encompass.
			RMLO will make the initial welcome call to the borrower, and go over any missing items in the application. A full 1003 is required and necessary.	Yes	No	RMLO should confirm any missing information from the initial loan application and discuss the next steps with the borrower.
			Sales Assistant will send the eConsent on all completed applications in Encompass.	No	Yes	Sales Assistant sends the eConsent to borrower in Encompass.
<b><u>Review of the Initial Application Data:</u></b>						
2	15	Sales Assistant will review the initial loan application for accuracy.	Instructions: Confirming borrower data will be a collaboration with the RMLO. Sales Assistant will provide a second review of this information to see if any gaps exist or any corrections may be needed.	Yes	Yes	Both will collaborate on the data gatherer to ensure it's accuracy.
		Critical Fields to Watch For:	Sales Assistant to verify all borrowers full contact information are reflected on the application, including full name, address, email address, phone numbers etc.	No	Yes	Sales Assistant will Confirm Application Details
		For an Accurate Credit Pull:	Sales Assistant to verify the application reflects two years of residency. (Confirm a full two year history)	No	Yes	Sales Assistant will Confirm Application Details
		• Borrower & Co-Borrower Social Security Numbers	Sales Assistant to watch for gaps in residency and question those with the RMLO.	No	Yes	Sales Assistant will Confirm Application Details
		• Borrower & Co-Borrower's Birthday	Sales Assistant to confirm the application reflects two years of employment for all borrowers.	No	Yes	Sales Assistant will Confirm Application Details
		• Current Residence Address				
		• Past Resident Address if Current is less than two years.				
		• Other Fields to Watch For:				

- The Fields on the right that RMLO is responsible for are critical fields that need to be populated on the transaction.

	No	Yes	Sales Assistant will Confirm Application Details
Sales Assistant will review the employment information and try to complete the address of all prior employment if missing. RMLO may have to gather this information.	No	Yes	Sales Assistant will Confirm Application Details
<i>Interest Rate: RMLO to confirm.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Property Types: RMLO to confirm.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Estimated Purchase Price: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Product Type: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Product Term: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Non-purchasing spouse: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Interest rate to disclose: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Loan Amount to disclose: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Proposed Investor: RMLO to confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Lender Credit: RMLO to confirm if applicable</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Waiving Escrows: At 80% or below LTV RMLO will confirm this.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Selling Current Residence: RMLO will confirm</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Gift Funds: RMLO will confirm if gift funds will be used.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Source of Funds To Close: RMLO will confirm the source and amount of funds to close</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Paying off Debt at closing: RMLO will confirm this.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
<i>Credit Report/Trade Line Issues: RMLO will confirm and communicate any issues.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.

	<i>Citizenship Issues: RMLO will confirm and communicate this</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>Unique Income: RMLO will discuss and communicate this.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>Divorce: RMLO will request Divorce Decree and communicate any issues.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>Mail Out Closing: RMLO will communicate this.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>FHA Loans: Credit will be pulled to include spouses debts.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>FHA Loans: RMLO will confirm we can send the amendatory clause.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.
	<i>New Construction: RMLO will communicate the expected completion date.</i>	Yes	Yes	RMLO to confirm prior to hand off to Sales Assistant. Sales Assistant will follow-up if information not provided or clarified.

**Credit Report Pull:**

	Credit Authorization: The borrower must already have signed the credit authorization in Encompass in order for the RMLO or SA to pull credit. Everyone needs to verify the credit authorization is complete prior to pulling credit.	Yes	Yes	Credit Authorization is Complete.
RMLO will pull credit. Most likely RMLO. RMLO or Sales Assistant will remove all personal borrower contact information from the application prior to pulling credit. (This data is sold so removing it is critical.) 5 minutes to 1 hour for the RMLO.	Instructions: After the application has been reviewed and all the items above have been resolved, the Sales Assistant should pull credit in Encompass, if the RMLO has not already pulled credit. Typically the RMLO will pull credit immediately to determine product eligibility. Credit typically will already be present in Encompass for the Sales Assistant.	Yes	Yes	Typically RMLO will pull the credit report, but sales assistant can pull if not already in Encompass.
	RMLO will discuss the credit report with the client	Yes	No	RMLO will discuss credit details with the client.
	RMLO will discuss Collections/Derogatory Items	Yes	No	RMLO will discuss credit details with the client.
	Sales Assistant will make a note in Encompass (Conversation Notes) regarding any credit inquiries and the LOE required for the inquiries. (This note will be for the Loan Processor)	No	Yes	Sales Assistant will mention that all credit inquiries within the past 90 days will require a letter of explanation.

**Credit Repair:**

Sales Assistant can ignore this step.	If client going through any credit repair they should avoid writing a Purchase Contract.	Yes	No	RMLO will discuss any credit repair suggestions.
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RMLO to discuss the best Loan Type option for the client. RMLO 10 minutes.	<b><u>Loan Types (FHA/VA/Conforming/Jumbo/Non-OM)</u></b>			
	Fannie Mae: Discuss low down payment options (Home Ready 3% down option)	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	Fannie Mae: Discuss low down payment options (Home Ready 5% down option)	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.

	Fannie Mae: Discuss low down payment options (Home Ready 10% down option)	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	Fannie Mae: Discuss low down payment options (Home Ready 15% down option)	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	FHA Loans: For FHA both borrowers debts much be included	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	FHA Loans: FHA Amendatory Clause must be executed.	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	VA Loans: Zero down but still have closing costs	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	Jumbo Loans: Down payment and Fico requirements	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.
	RMLO to review the down payment requirements based upon the product preferred.	Yes	No	RMLO will discuss and communicate the Loan Type in Encompass for the SA.

**Income Information:**

RMLO will review income requirements with the client, including documentation required and debt to income ratio guidelines. 30 minutes for the RMLO.	RMLO will discuss clients income structure	Yes	No	RMLO will discuss the income struction and acceptability of income.
	RMLO will discuss our self-employed income requirements with the borrower.	Yes	No	RMLO will discuss the self employed income structure
	RMLO will discuss W-2's and Paystub requirements with the borrower. (Specifically the two year history for these documents.)	Yes	No	

**Cash To Close:**

RMLO to discuss the required cash to close with the borrower. RMLO will update Encompass with any information regarding the cash to close.	RMLO to discuss down payment options and specific cash to close requirements.	Yes	No	RMLO will discuss down payment options and product options.
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**Document Portal: Doc Request**

3	15	Sales Assistant will set up the doc requests in the document portal in Encompass.	Instructions: Sales Assistant will request documents in Encompass. This doc set will be based upon the loan type and borrower specific conditions. Each document requested will need a specific note to the client regarding exactly what we are looking for. This is a manual input added on to the doc request.			
		Instructions for the Doc Request for W-2 Borrowers:	<p><b>Initial Doc Requests :</b> W-2 borrower: Add these comments to the document request.</p> <p>1. Paystubs - The most recent 30 consecutive days of paystubs.</p> <p>2. Bank Statements - The most recent two months of consecutive bank statements. Please provide statements with sufficient funds to cover the closing costs and down payment.</p> <p>3. W-2's - Past two years W-2's.</p> <p>4. Drivers license - Clear copy of the drivers license for all borrowers.</p>	No	Yes	Contact the RMLO should you have any questions on this.

Instructions for Self Employed Borrowers:	<p><b>Initial Doc Requests</b> : Self Employed borrowers: Add these comments to the document request.</p> <p>The two most recent years of tax returns available.</p> <p>2. Bank Statements - The most recent two months of consecutive bank statements. Please provide statements with sufficient funds to cover the closing costs and down payment.</p> <p>3. Business Tax Returns: If your business operates as an LLC or a Corporation, please provide your business tax returns.</p> <p>copy of the drivers license for all borrowers.</p>	<p>1. Personal Tax Returns: -</p> <p>4. Drivers license - Clear</p>	No	Yes
Other Miscellaneous Docs If Needed:	<p><b>Other Doc Requests</b> : Situational docs Add these comments to the document request.</p> <p>reflects a divorce ask for the Divorce Decree</p> <p>2. Child Support/Alimony: If the contract reflects either of these items, ask for the divorce decree.</p> <p>Income: Ask for their Personal Tax Returns</p>	<p>1. Divorce Decree: If the application</p> <p>3. Rental</p>	No	Yes
Sales Assistant to request updated Bank Statements and Paystubs as the file ages.	Sales assistant to identify what the ending date is for the bank statements and paystubs and make a note of that in the system. ??? Not sure the best way to execute on this.			

		<b><u>Document Portal: Doc Receipt</u></b>	No	Yes
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4	30	Sales Assistant will review the documents returned from the client in Encompass and re-label the documents in the Red Diamond Doc Labeling Format.	<b><u>Document Review Instructions:</u></b> Once the docs have been uploaded into Encompass by the borrower the Sales Assistant will review the documents and put the results from the documents into Encompass.	No	Yes
		<b><u>DRIVERS LICENSES:</u></b> Confirm the names being used match the drivers license (Once the drivers license is received from the borrower.) This Address on the drivers license needs to match the current borrower address. Any discrepancies will require an LOE from the borrower. Sales Assistant to put in an LOE request in the Doc Request for any discrepancy.	No	Yes	Sales Assistant will confirm the full names matches the drivers license and all other documentation.
		<b><u>INCOME DOCUMENTS:</u></b> Review the income documents and load the income results into Encompass on 1003 Page 2 in the Forms section of the loan file. Income calculations can be confusing so put in the best estimate of the income at this point. The processor and the Underwriter will review the documents as well	No	Yes	If borrowers are self-employed, Sales Assistant will email a self-employed income guide to the client.
		<b><u>BANK STATEMENTS:</u></b> Sales Assistant will review the bank statements and load the current months bank balance into Encompass. This information needs to be put into 1003 Page 2 in the Forms section of the loan file. Make sure you click (SHOW ALL (VOD) and put the bank statement information here. Please put the bank name, address and if available account number and account balance into this (Quick Entry - VOD) section on the 1003 Page 2.	No	Yes	

**VERIFICATION:** Sales Assistant will review all company names and addresses on the Paystubs and W-2's to verify the address and phone are accurate, and that the documents provided match up to the information in Encompass.

No

Yes

Sales Assistant will review company names, addresses and phone numbers for accuracy.

**RETRIEVE DOCS IN ENCOMPASS:** As the documents are received in Encompass Sales Assistant will retrieve docs from Encompass and pull the docs into the File Manager

No

Yes

**DIVORCE DECREE:** Alimony & Child Support payments to the borrower would be reflected on the 1003 Page 2 in the Forms Section of Encompass in the loan file.

No

Yes

**Cost Estimates: Excel Spreadsheet**

5 30

Sales Assistant will prepare a cost estimate for the borrower and send it to the RMLO. This will be completed on the Excel spreadsheet provided by Red Diamond.

Sales Assistant will prepare a Cost Estimate of the clients scenario and email that to the RMLO (RLMO will approve the Cost Estimate and distribute it to the client)

No

Yes

Sales Assistant will prepare a cost estimate for the borrower and will send it to the RMLO.

Sales Assistant will update cost estimates as necessary based upon any changes provided by the RMLO.

No

Yes

Revisions will be updated and sent to the RMLO.

Sales Assistant will send the cost estimate to the RMLO for approval. RMLO will approve and send the Cost Estimate to the borrower. RMLO can make whatever changes/updates they would like to the Cost Estimate prior to sending to the client.

Yes

No

RMLO WILL APPROVE THE ESTIMATE AND DISTRIBUTE THE COST ESTIMATE TO THE BORROWER.

**Interest Rates:**

RMLO will discuss interest rates with the client. 30 minutes for the RMLO.

RMLO will discuss current interest rates with the client and load Encompass with the agreed upon interest rate.

Yes

No

RMLO will be fully responsible for all interest rate discussions. Sales Assistant will not be permitted to discuss interest rates with the client.

RMLO will discuss Loan Level Price Adjustments

Yes

No

RMLO will discuss the Rate Lock timeline and what will be required based upon the Closing date.

Yes

No

**Fannie Mae Desktop Underwriter:**

RMLO will determine if the loan is ready for DU.

Yes

No

There may be insufficient documentation or any number of reasons to run or not run DU. The choice will be up to the RMLO.

6 30

Sales Assistant will run DU either before or after the documentation is delivered, at the direction of the RMLO.

**Sales Assistant will run DU when applicable.**

No

Yes

Sales assistant will run DU as necessary.

Sales Assistant to review the DU Findings and update the DocPortal in Encompass with any updates needed.

Please consult with the RMLO to determine if DU is something that is needed at this time, or if they are planning on waiting.

**DU Instructions for FHA/VA Loans**

Red Diamond Home Loans

Instructions for Running DU on Encompass

FYI: Don't ever put estimated value into Encompass. It may trigger a disclosures requirement.

Pick RDHL | 702964

First Time User: Put in your credit reporting information

Click on Production Description: Standard LCOR

Run Preliminary Findings for a Conventional Loan  
Click Single Product  
Leave Interim  
Submit it

Quick Tip: To Find A Field in Encompass: Hit Control G

**On an FHA or VA Loan to run DU :**

The Sponsor ID must be in the system.

Click on Forms:

Click on HUD 1003 Addendum

Plug in the codes below.

Line 13 put in: Red Diamond Lender ID Code: 0027000001 for FHA Loans

Line 13 put in: Red Diamond Lender ID Code: 8898020000 for VA Loans

Line 14 Plug In: Sponsor ID Code: 2809500006 (This is Penny Mac's FHA ID)

Line 14 plug in: Sponsor ID Code: Flagstar's VA Code is 74032200001

Select Submission Option:

1. Once in DU pick Flagstar Bank, FSB from the Select Submission Option drop down. (This must match the Sponsor ID Code for Flagstar in the Borrower 1003 page.
2. Click Single Products
3. Select a Product: All Products

Go back to Services: Request Underwriting

Click Fannie Mae DO for ePass

Click Submit to DO for ePass

Use Advantage Credit Inc (226)

Ignore the messages if they are minor.

Fix Amortization and Fix Interest Rate and Fix State

SOME OF OUR INVESTORS CODES ARE BELOW:

Flagstar FHA Sponsor/Agent I.D. Code: 7127400001

Flagstar VA Sponsor/Agent I.D. Code: 74032200001

PennyMac FHA Loan Services, LLC Code: 2809500006

Citizens Bank (Franklin) FHA Sponsor/Agent I.D. Code: 3447101994

Envoy FHA ID: 1635902460

Envoy VA ID: 3595552201

UWM VA ID: 7460480000

Red Diamond Sponsor EIN (Tax ID): 473492860

Red Diamond FHA Lender ID/Origination ID: 0027000001

Red Diamond VA Sponsor ID: 8898020000

**Pre-Qualification Letter:**

7	15	Sales Assistant will prepare the pre-qualification letter and email to the RMLO. This document is prepared in Microsoft Word.	Sales Assistant will Prepare Pre-qualification letter and email that to the RMLO.	No	Yes	Sales Assistant will prepare the Conditional Qualification Letter for the client.
			RMLO will review the Conditional Pre-qualification letter and will distribute it to the borrower and Realtors. All revisions will be prepared by the RMLO and provided to the Buyers Real Estate Agent.	Yes	No	RMLO WILL APPROVE THE LETTER AND DISTRIBUTE IT TO THE BOROWER AND BUYERS AGENT

**Purchase Contract Received:**

NEW TASK	Sales Assistant to upload contract.	Upon receipt from Red Diamond please upload the purchase contract into Encompass.	No	Yes	
8	30	Sales Assistant will input the Purchase Contract information into Encompass from the contract.			Input the Purchase Contract Information into Encompass.
		<b>Instructions for completing the Purchase Contract Information in Encompass.</b>	No	Yes	Input the Purchase Contract Information into Encompass.
		See notes added to the Purchase Contract and load the necessary information into Encompass. The Purchase Contract with the notes is a PDF doc with highlighted areas with notes in it. It will be provided separately.	No	Yes	Input the Purchase Contract Information into Encompass.
		Borrower Summary - Origination: Click on the Lender/Broker Data tab if the information is blank. Add Red Diamond Home Loans, including address to this section. It should automatically populate these fields.	No	Yes	Input the Purchase Contract Information into Encompass.
		Borrower Summary - Origination: Under subject Property Information: Click the Construction Method Drop Down: Select Site Built			
		Borrower Summary - Origination: In Subject Property Information: Property Type: Select PUD if the contract is marked with a Home Owners Association. This is identified in the Title Notices Section of the Purchase Contract.			
		Borrower Summary - Origination: <b><u>ESTIMATED VALUE: DO NOT EVER PUT IN THE ESTIMATED VALUE. IT ALWAYS MUST BE BLANK.</u></b>			
		Borrower Summary - Origination: Plug in Estimated Closing Date and Borrower Estimated Closing date as the same date based upon the contract date.			
		1003 Page 2: PUD Fees: Plus in \$30.00 into the Proposed Fees if the property has a Home Owners Association and is located in a PUD.			
		Borrower Summary - Origination: If Amortization Type is blank click Fixed Rate. 99.999% of our loans are fixed rates today.			
		Borrower Summary - Origination: Ask RMLO about Loan Type if not completed.			
		Borrower Summary - Origination: Ask RMLO if Purpose is not completed.			
		Borrower Summary - Origination: Ask RMLO if Property Will Be is incomplete. This is Occupancy. RMLO to provide this.			
		Page 1: Page 1, Section 2: 1. Property: In 1003 Page 1 add the legal description into Encompass from the Purchase Contract.	No	Yes	Input the Purchase Contract Information into Encompass.
		Page 1: Page 1, Section 3: Verify the purchase price and put that into Encompass. This is the same as the Appraised Value until we know the actual appraised value. Make the appraised value the same as the purchase price. The cash portion of Sales price payable by Buyer at closing is more likely correct in Encompass already so do not update this. <b><u>DO NOT EVER PUT IN THE ESTIMATED VALUE IN ENCOMPASS. WE ALWAYS MUST LEAVE THIS BLANK.</u></b>	No	Yes	Input the Purchase Contract Information into Encompass.



Page 1	Page 1, Section 5: Earnest Money: Put the earnest money amount in the 2015 Itemization at the bottom of the page.	No	Yes	Input the Purchase Contract Information into Encompass.
Page 1	Page 1, Section 6: Seller to finish at Seller's or Buyer's expense: Please watch this and put who is paying for Title into Encompass. IGNORE THIS FOR NOW. WE WILL PICK THIS UP WHEN PREPARING THE LE	No	Yes	Input the Purchase Contract Information into Encompass.
Page 2	Page 2, Section 6E(2) Membership: Add if the property is in a PUD to Encompass. Put it in the Borrower Summary - Origination in the Property Section. Not in the Contract - Click Borrower Summary - Origination - Subject Property Information - Click 1. Site built - (Unless the contract says Manufactured Housing at the top...very few will say this.)			
Page 3	Seller Credit: Any seller credits will go on 1003 Page 3. Click the drop down for Seller Credit and add the amount to the box for Seller Credit.			
Page 4	Page 4, Section 7 d (1) (2): Make a note of AS IS Sales vs. any sale with work to be performed. All sales should be AS IS and not subject to work being performed.	No	Yes	Input the Purchase Contract Information into Encompass.
Page 5	Page 5, Section 9: Closing: The closing date needs to be put into the Borrower Summary - Origination page under transaction details.	No	Yes	Input the Purchase Contract Information into Encompass.
Page 5	Page 5, Section 12: Settlement and Other Expenses: Any amounts entered here need to be loaded into page 2015 Itemization at the bottom of the page, under k. CC paid by seller.	No	Yes	Input the Purchase Contract Information into Encompass.
Page 9	Page 9, Broker Information: Please add the Brokers information to Encompass. The Buyers broker is on the left. The Sellers Broker/Listing agent is on the right. Put this information in to Tools, File Contacts, Buyers Agent from the left side of the Contract into the Buyers agent section. The Seller's agent is on the right side of the contract. Put their info into the Sellers agent section of the File Contacts.	No	Yes	Input the Purchase Contract Information into Encompass.
Page 9	Page 9: Contract & Earnest Money Receipt: Add the Title Company Information for the Earnest Money Receipt.	No	Yes	Input the Purchase Contract Information into Encompass.
Two borrowers	IN ENCOMPASS: Not part of the contract: 1003 Page 1: Click the check box at the top of the page if the income of two borrowers is being used.			
One income	IN ENCOMPASS: Not part of the contract: 1003 Page 1: Click the second check box at the top of the page if only 1 income is being used.			
Year Built	NOT IN THE CONTACT: Add year built on 1003 Page 1. This can be found by looking up the property in Zillow.			
USPS	NOT IN THE CONTRACT: Check USPS on every loan. The City is in some cases different. See notes below.			
USPS	Go to USPS.com : Click on Quick Tools: Click Look Up Zip Code: Click Find By Address. Load in the address from the contract and see how it compares to the USPS information. If it's different notify RML0. In all cases print out the results and loan that into the eFolder for that file.			

**Prepare the Loan Estimate & Complete Disclosure Package**

9	45	Sales Assistant will prepare the Loan Estimate and other disclosures.  Sales Assistant will notify the processor that the Loan Estimate and disclosure package is complete and ready for review.	No	Yes	Input the required information into Encompass to complete the preparation of the Loan Estimate and Disclosure package.
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2015 Itimization

Click on Closing Cost Program - Should already be chosen but it must be compelled. This can come from the Borrower Summary-Origination Page. This populates our fees.

2015 Itimization

Section 900: Daily interest calculates off the closing date. Must have the closing date.

2015 Itimization

Section 902: Leave the 2015 Itemization and Go to Services Tab - Click on Order Mortgage Insurance: Use MGIC Direct for Conventional Loans. Mortgage Insurance is only required on loans over 80%. Don't need to run this on loans below 80% loan to value. Click Rate Quote and it will populate the system. Click Import Fees and bring the MI back to Encompass.

1003 Page 2

For Conventional MI now go to Forms, then 1003 Page 2: Click the pencil next to Mtg Ins under Proposed. Add Cancel at 78%. Need to put in 78. Click OK. That will bring the Mortgage Insurance into the payment calculation.

1003 Page 2

For an FHA Loans: Put the Mortgage Insurance Premium on 1003 Page 2 and Click on the pencil next to the Mortgage Insurance Tab. Load the Mortgage Insurance Costs per the chart below.

APPENDIX 1.0 - MORTGAGE INSURANCE PREMIUMS

**Upfront Mortgage Insurance Premium (UFMIP)**  
 All mortgages: 1.75 basis points (bps) (1.75% of the Base Loan Amount)

Exemptions:

- Streamline Refinance and Simple Refinance mortgages used to refinance a previous FHA-endorsed mortgage on or before May 31, 2009
- Harmon Home Loans (Section 247)
- Indian Lands (Section 248)
- Indian Lands (Section 248) do not require a UFMIP

**Annual Mortgage Insurance Premium (MIP)**  
 Applies to all mortgage types

- Streamline Refinance and Simple Refinance mortgages used to refinance a previous FHA-endorsed mortgage on or before May 31, 2009
- Harmon Home Loans (Section 247)
- Harmon Home Loans (Section 247) do not require Annual MIP

Base Loan Amount	LTV	Mortgage Term of More Than 15 Years	
		MIP (bps)	Duration
Less than or equal to \$625,000	> 90.00%	80	11 years
	> 80.00% but < 90.00%	80	Mortgage term
Greater than \$625,000	> 90.00%	100	11 years
	> 80.00% but < 90.00%	100	Mortgage term

  

Base Loan Amount	LTV	Mortgage Term of Less than or Equal to 15 Years	
		MIP (bps)	Duration
Less than or equal to \$625,000	> 90.00%	50	11 years
	> 80.00%	50	Mortgage term
Greater than \$625,000	> 90.00%	40	11 years
	> 80.00%	40	Mortgage term

**Streamline Refinance, Simple Refinance:**  
 For refinances of previous mortgages endorsed on or before May 31, 2009  
 UFMIP: 1.00% (1.0%), All mortgages  
 MIP: 0%

Base Loan Amount	LTV	Annual MIP (bps)	
		MIP (bps)	Duration
All	> 90.00%	0	11 years
	> 80.00%	0	Mortgage term

For mortgages where FHA does not require an appraisal, the value from the previous mortgage is used to calculate the LTV.

Back to 2015 Itemization:

Under Section 1001: Other: Write in Homeowners Association Dues in the empty box if the property is in a PUD.

Click on Aggregate Setup:

Under 1011: Click the box Aggregate Setup: Put the #2 in the box for Cushion for Tax and Haz Ins. Just the #2 in the boxes.

Also in Aggregate Setup:

For the month the loan is projected to close we need the #12 in that box for that month for Haz Ins.

Also in Aggregate Setup:

For the taxes: Input the #12 in the Tax box in the month that proceeds the projected closing date for the loan. The month prior to the Haz Ins. Box.

On Line 1011:

Delete the negative aggregate adjustment, or any amount in this box. You may need to click the lock box to open the field.

Next Section: Title Insurance

You will need the Cost Estimate that you prepared for this next section:

Line 1103: Owners Title Insurance:

Put in the Owners Title Insurance Cost from the Cost Estimate for this loan into the box to the right of Title Forward - on line 1003. You don't need the pencil on this, just plug in the \$'s. The Owners Title Cost will come from the Title Calculator Tab on the Cost Estimate, not the actual cost estimate. This will be the top number on that Title Calculator page.

Line 1104: Lenders Title Insurance:

Put in the Lenders Title Insurance Amount from the Cost Estimate just like above. This will also come from the Title Calculator. You need to plug in the line called Full Premium under the Loan Amount, midway down the Title Calculator page.

Line 1112: Title Endorsements:

These costs are also calculated off the Title Calculator page. X the boxes, Not yet due and payable, T-30, T-36, T-17, T-19. All need to be checked. The total will be at the bottom. Do not include the total for the \$100.00 so remove \$100 from the Total. Put this total in the Line 1112. Title Endorsements.

Section 1400: Total Estimated Charges

The Seller Credit will flow form 1003 Page 3 and appear in this section. No need to input anything for the seller credit as long as it's reflected in the 1003 Page 3.

### Pre-Qualification Estimated Timeline

Total Minutes Per Application (Estimate) Per Day	Total Hours Per Application Estimate Per Day
215	3.583333333