



Wholesale

New TILA and RESPA Requirements Effective 7/30/2009

This information is not intended or should be construed as legal advice. Please consult your legal counsel for applicability.



New TILA and RESPA Requirements

- Upfront fees cannot be collected, imposed or paid for on behalf of the borrower until the initial disclosures are received.
- The earliest closing date for any loan is seven (7) business days after the initial disclosures are issued.
- An increase or decrease of .125% (fixed rate loans) or .250% (adjustable rate loans) in the APR requires re-disclosure of the TIL. The re-disclosed TIL must be received by the borrower at least three (3) business days prior to closing.



How the New Requirements Impact You

Effective with applications taken July 30, 2009 and after, Federal regulations that amend the Truth-in-Lending Act (TILA) must be followed:

- The major changes that impact the Wholesale process are:
 - Initial Application Disclosure Request Submission
 - Lender Disclosures
 - Fees
 - Appraisals



Initial Application Disclosure Request Submission

- The Initial Application Disclosure Request must only include:
 - Initial Application Disclosure Request Checklist
 - Uploaded 1003 (Fannie Mae 3.2 DU Format)
 - GFE (With Itemized Broker, Seller and Lender Credits)
 - TIL
 - Loan Brokerage Agreement (fully executed)
 - Borrowers Certification and Authorization form
 - Purchase Contract

- All Initial Application Disclosure Requests are to be forwarded to WMC by email at:
 - Kansas City - Disclosures2001@wintrustmortgage.com
 - Schaumburg - Disclosures2000@wintrustmortgage.com



Lender Disclosures

- WMC will send out the Lender Disclosures once the complete Initial Application Disclosure Request is received from the Broker.
 - Via Email – if borrowers email address was provided
 - Via Postal Mail – if the borrower email address is not provided
 - WMC will notify the broker when the Lender Disclosures have been provided to the borrower.

- Any difference in terms and fees that results in a change to the APR of .125% for fixed rate loans and .250% for adjustable rate loans requires the TIL and GFE too be re-disclosed and reissued to the borrower.
 - If re-disclosure is required, the revised disclosures must be provided to the borrower at least three (3) business days prior to loan closing.



Fees

- The Broker may not collect any fees from the borrower, or pay any fees on behalf of the borrower until the borrower receives the Lender Disclosures.
- WMC will notify the Broker via email that the Lender Disclosures have been received by the borrower.



Appraisals

- WMC will notify the broker when the Lender Disclosures have been received by the borrower.
- The Broker may not order the appraisal through InHouse Solutions until they receive email notification that the Lender Disclosures have been received by the borrower.
- The Broker will forward the completed appraisal and the appraisal invoice, along with the remainder of the loan file to:
 - Schaumburg – submissions2000@wintrustmortgage.com
 - Kansas City - submissions2001@wintrustmortgage.com



Disclosure Timeline and Initial Submission Procedure

- Wholesale Broker submits Initial Application Disclosure Request Checklist and required documentation to the appropriate email address listed on Page 4.
- WMC prepares disclosures and delivers them to the borrower.
- WMC notifies the Wholesale Broker that Initial Application disclosures have been received by the borrower.
 - Same business day * - if borrower's email address is provided and disclosures are delivered to the borrower via email.
 - Four (4) business days * - if no email address was provided. Disclosures are delivered to the borrower through the postal mail.
- Upon notification, the Wholesale Broker places an order for the subject property appraisal.

* Timelines indicated here assume that the disclosures are generated and issued the same business day the Initial Application Disclosure Request is submitted. WMC is required to generate and issue the initial disclosures to the borrower within three business days of receipt of the application from the Wholesale broker.



Disclosure Timeline and Credit File Submission Procedure

- Upon receipt of the appraisal, the Wholesale Broker will forward the appraisal and the appraisal invoice, along with the remainder of the credit file to the appropriate email address listed on Page 7.
- Once the loan is approved by underwriting, the closing may be scheduled.
 - Loan closing may not occur until seven (7) business days after the initial application disclosures are issued.
 - If re-disclosure is required, the borrower must receive the disclosures no less than three (3) business days prior to loan closing.
 - The Settlement Agent or Title Company must forward the sample HUD-1 to the WMC Closing Department no less than 96 hours prior to closing to allow sufficient time for re-disclosure, if necessary.



Disclosure Timeline & Submission of Files Transferred from Another Lender

When the Wholesale Broker is submitting a loan file that has been transferred from another lender:

- The entire loan file, including the original Wholesale Lender's Initial Application Disclosures, and WMC's Initial Application Disclosure Request are forwarded to the appropriate email address listed on page 4.
- WMC prepares the Initial Application Disclosures and delivers them to the borrower.
- WMC notifies the Wholesale Broker that Initial Application Disclosures have been received by the borrower.



Disclosure Timeline & Submission of Files Transferred from Another Lender

- Once the loan is approved by underwriting, the closing may be scheduled.
 - Loan closing may not occur until seven (7) business days after the initial application disclosures are issued.
 - If re-disclosure is required, the borrower must receive the disclosures no less than three (3) business days prior to loan closing.
 - The Settlement Agent or Title Company must forward the sample HUD-1 to the WMC Closing Department no less than 96 hours prior to closing to allow sufficient time for re-disclosure, if necessary.

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