

Correspondent Compliance Review Checklist

Helpful Hints for the Most Commonly Missing or Inaccurate Documents

1. Initial 1003:

- Must be signed and dated by all parties
- The LO's date must reflect the 'application' date (i.e., date all 6 pieces of info collected)
- Method must be checked (Face to Face app requires both borrower and LO to sign/date on the day of application)
- Must reflect the correct NMLS ID # for both the LO and the Company
 - i. If originated from a branch location, please also add the corporate NMLS ID# to the 1003 (PRMG Requirement)

2. Initial Disclosure Package (other than the Loan Estimate)

- All "prepared" dates must be completed -and- be in compliance with the initial application date
- Loan Officer and Company must be consistent throughout the disclosures and match the 1003 (including NMLS info)
- Required QM Disclosures:
 - i. Homeownership Counseling Disclosure and List of 10 Providers **searched in borrowers current zip code**
 - ii. Affiliate Cert is required for every transaction. The new TRID Submission Form (found on Resource Center) now includes the affiliate cert and can be used in lieu of a separate form
 - iii. Appraisal Valuation Acknowledgement (ECOA): can be added to page 3 of the LE (optional) or disclosed on a separate form

3. Initial Loan Estimate (See Correspondent LE Job Aid for more detailed information)

- Correspondent name printed at the top of page 1 and on page 3 as "Lender" (nothing in Mortgage Broker)
- LO must match 1003 (including NMLS ID #'s)
- Loan terms should match the signed 1003, in most cases
- If loan is locked at or before initial LE is disclosed (i.e., pre-locks), the lock terms must be reflected on page 1
- Fees must be disclosed within the correct sections on page 2
- Title/escrow fees in Section C must be labeled/prefaced with the word "Title" (also applies to Owners Title Policy in Section H)
- Fees in all Sections must be in ABC order (for Section C, fees to be alphabetized after the preface of 'Title')
- Loan ID# must be present on all pages and must be a numeric value. Corr can use their own loan # or PRMG's, as long as it is consistent throughout the file
- No "misc." or "additional" charges. All fees must reflect name of actual service
- Escrow account reflected correctly on page 1 and 2
- Lender credits: if disclosed on LE, the amount cannot be decreased without a valid lock event

4. Re-Disclosed Loan Estimate (Change of Circumstance)

- Must be disclosed within 3 days of the change occurring and contain a completed COC form (PRMG COC form is not acceptable for the correspondent channel)
- The most common COC events requiring a re-disclosure are 1) loan locked, 2) changes to loan terms
- Settlement fees can only increase with a valid change of circumstance. Only fees directly impacted by the change of circumstance can be updated on the LE. Increased fees without a valid change of circumstance will be cured at closing by the correspondent lender



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- Re-disclosures occurring after initial submission must be uploaded to the TPO website. If the changes require underwriter review (i.e. changes to loan terms), please send email notification to corrconditions@prmg.net
- LE Certification Form must be completed prior to final approval.
- Once a CD has been issued to the borrower, no other LE's can be issued.