

# Lender Operations Update

2014-42

Attn: MRBP Lenders

## Dodd-Frank Compliance

July 15, 2014

This Lender Operations Update includes three important reminders to help avoid delays or purchase rejections. Please review these topics and contact the Lender Help Desk if you have any questions.

Topics in this Update include:

- [RESPA Homeowner Counseling Disclosure – Reminder](#)
- [NMLS Disclosures](#)
- [ECOA Valuations Rule](#)

### RESPA Homeowner Counseling Disclosure – Reminder

Under new RESPA requirements which became effective January 10, 2014, lenders are required to provide loan applicants with a list of 10 HUD-approved counseling agencies, created no more than 30 days before it is provided to the applicant. The list should be based on the applicant's current mailing ZIP code, unless specified differently by the applicant. Lenders must provide this list of 10 counseling agencies within three business days of receipt of a RESPA application. Lenders can go directly to the [CFPB Web site](#) for a list or may create their own using information provided by the CFPB and by HUD.

In bulletin [CFPB 2013-13](#), the CFPB acknowledged that lenders attempting to create their own lists may not be able to develop their disclosure forms by the effective date of January 10, 2014. These lenders were allowed to provide a form that gives applicants a link to the [CFPB housing counseling Web site](#).

U.S. Bank Home Mortgage (USBHM) MRBP will continue accepting applications that demonstrate compliance with this RESPA requirement by accomplishing either of the following:

1. Provide a compliant disclosure, within three business days of the initial application, which contains a current list of 10 counseling agencies based on the applicant's current ZIP code.

Or

2. If a lender is still working with their software vendor in good faith to incorporate the list of counseling agencies into their loan origination system, the lender may provide a disclosure which contains a link to the CFPB housing counseling Web site in the bulletin's suggested format.

**This alternative Homeownership Counseling Disclosure will be accepted on applications (1003s) dated on or after July 10, 2014 only if the lender includes a letter stating that the lender is working in good faith with a software vendor to incorporate the list of 10 counseling agencies, and the letter also states a date when the lender will have the ability to provide a fully compliant RESPA HOC disclosure.**



## NMLS Disclosures

### **Required Loan Origination Information on the Note and Security Instrument**

The Truth in Lending Act now requires that the individual loan originator name and Nationwide Mortgage Licensing System (NMLS) number, and the originating company name and NMLS number appear on the following documents at the time of consummation:

- Initial and final loan applications (1003),
- Note, and
- Security instrument.

**Effective with loans closed on or after July 31, 2014**, if the name and NMLS information is **missing** on the closing documents (the note and the security instrument) at the time of consummation, the loan will be ineligible for purchase.

To prevent this Truth in Lending error, please ensure that the originator name and NMLS number is accurate and matches a name which has been registered with the NMLS and the information is present on the closing documents at the time of consummation.

## ECOA Valuations Rule

MRBP Operations requires that all MRBP lenders include evidence in each file that all valuations were delivered to the borrower. This MRBP Update clarifies what constitutes acceptable evidence for valuation delivery.

### **Acceptable proof of delivery for all USBHM underwritten files:**

USBHM MRBP has provided a model form, the [Appraisal Delivery Certification](#) that lenders must use.

### **Acceptable proof of delivery for all delegated-underwritten files:**

MRBP lenders can use the [Appraisal Delivery Certification](#) mentioned above for their delegated-underwritten files; other proof of delivery is also acceptable. If lenders choose other documentation, we require that lenders provide either:

1. A borrower certification executed at closing which states the borrower either (a) received all appraisals or valuations three business days prior to closing or (b) exercised a waiver of the three-day closing waiting period but received all appraisals and valuations at or before closing;  
Or
2. A signed lender certification, which states the borrower (a) received all appraisals or valuations three business days prior to closing or (b) the borrower exercised a waiver of the three-day closing waiting period but received all appraisals and valuations at or before closing.

If you have any questions on these or any compliance-related topics, please contact the Lender Help Desk at 1-800-562-5165 or [MRBP.HelpDesk@usbank.com](mailto:MRBP.HelpDesk@usbank.com).

We appreciate your continued partnership.

