



## RESPA Business Partner Update

After working with loans subject to new RESPA regulations over the past couple of weeks, Primary Capital has found that a few changes in policy and procedure are warranted. Additionally, we wanted to provide some information on the most frequent errors we are seeing on Good Faith Estimates and Broker Fee Agreement.

### Truth-in-Lending Disclosure

As a result of RESPA, the TILs being received from our business partners are more accurate. Effective with all loans submitted with the 2010 GFE, Primary Capital will utilize the business partner provided TIL as long as:

- the TIL does not require redisclosure under TILA due to APR variance violations and
- the TIL was properly completed for the correct program

So, accurate business partner TILs will not be redisclosed by Primary Capital and the first allowable closing date will be calculated from the business partner TIL. Additionally, if Primary Capital sends a new TIL, this will be treated as a redisclosure and the first allowable closing date will be 3 business days from borrower receipt.

### Forms Required

As a reminder, at the time of loan submission, all federal, state, program and Primary Capital required disclosures should be in the loan file. This will facilitate the compliance department's review of the loan file.

At present time, the most frequent document that is not being provided is an itemization of the items included on the GFE. Most origination systems have a standard system form that will provide appropriate information. For those utilizing Calyx, the form is called "Initial Fees Worksheet".

Additionally, the "Acknowledgement of Receipt of GFE" issued in Primary Capital's disclosure package must be signed by the borrower and returned to compliance underwriting prior to closing.

The Broker Fee Agreement has been revised to clarify how items should be completed to follow the format of the new GFE.

### Primary Capital Fees

Due to some RESPA disclosure requirements, Primary Capital's fees will be as follows for all loans subject to new RESPA requirements:

Administration Fee (except FHA/VA Streamline)	\$700.00
Administration Fee (FHA/VA Streamline)	\$380.00
Document Review Fee (TX loans only)	\$135.00
Appraisal Management Fee (HVCC loans)	\$ 50.00
Flood Certification Fee	\$ 13.50

The above fees with the exception of the Flood Certification Fee should be disclosed/included in Box 1, origination charges, on the GFE. The Flood Certification Fee should be disclosed in Box 3.

### Float Downs

One of the most frequent questions we have received is how to handle a float down. Float downs will be treated as a borrower requested changed circumstance. A new GFE will be issued by Primary Capital once the changed circumstance document has been received. Please keep in mind that a float down is the same as a rate lock so the only box on Page 2 that may be changed is box 2.

### Most Frequent Errors

In lieu of providing a list of the most frequent errors, sample Good Faith Estimates and a sample Broker Fee Agreement have been posted on the website. Notes/comments have been added that address the frequent errors.

If you have any questions, please contact your Account Executive.

Sincerely,

*George S. Phelps*  
Executive Managing Director