

# Senior Freedom Inc.

Conference Call Tuesday, August 16, 2016 at 10am

Call in number **712-832-8310** Code 122150

- 1) Bankruptcy
  - a) Not covered for normal HECMs in the HUD guidelines
  - b) The banks seem to be requiring a two year wait after Chapter 7 discharge, and probably Chapter 13, before not requiring a LESA.
- 2) If your client has rentals, and/or, shows little income on tax statements even though he/she has a good income, you might want to send the loan to FirstBank
- 3) If a property (any part of the property) is within 300 feet of underground gasoline storage tanks then HUD will not accept the loan.
- 4) If the appraiser states that the home is better re-sold as commercial property, HUD will not accept the loan.
- 5) A secondary form of proof to document income is no longer required if Social Security is the only form of income being used to qualify.
- 6) Just a reminder, using the Maximum margin provides the maximum credit line growth while still giving the highest cash benefit. You can always go down, but not up once disclosed.
- 7) Be sure to over-disclose closing costs and broker compensation even on proposals and never show more than 3 products from the same lender on the comparison page of proposals or applications: HECM annual, HECM monthly, and fixed rate.
- 8) Taking pictures of documents. It is often impossible to get copies of some documents such as SS Benefit letters, ID's, SS cards, mortgage statements, insurance dec page, etc. When taking pictures of these documents, be sure to point the camera straight down on the document and not at an angle. Also, do not take multiple pictures of parts of a document and expect that it can be pieced together in a format that is acceptable for loan submission. Take a picture of the entire document. If you are not sure of the quality, take several pictures of the document and then choose the best one on your computer. For example, trying to piece together a SS Benefit letter that cannot possibly show that all the pieces are from the same document will not be acceptable.
- 9) Loan transfers. We have recently seen a number of instances of frustration with underwriting, primarily on loans requiring tax returns, borrowers with multiple rental properties, etc. If you make the decision to try and convince your client to transfer the loan, you must first provide all the details of that loan to the new lender and get a reasonable expectation of underwriting success. You may have to actually submit a prequal request to the new lender first. The problem you are having with the current lender must obviously be detailed to the new lender.
  - a) You must inform the client that transferring the loan will result in a delayed closing since the process virtually starts over.
  - B) As part of the transfer process, you must enter a new loan into RV for that borrower and the new loan number will replace the existing loan number (the original lender cannot un-underwrite the loan and change the status back to origination). The new loan must have the exact same numbers as the original loan application and a new application document must be created, but does not have to be printed. The new loan in RV must be reviewed before creating the loan application to insure it is correct.
  - C) The original loan docs will be submitted to the new lender, however, a new title commitment, CPL, and insurance binder are required with the new loan number and for the new lender, all require new requests from processing. The new lender may require appraisal to show them and the AMC may require a fee.
  - D) There will be an additional processing charge for transferred loans due to the additional work involved.